



**RAJRATAN**  
OUTPERFORM  
INDIA | THAILAND

www.rajratan.co.in



**RGWL/22-23/**

**23<sup>rd</sup> January, 2023**

<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**

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**Rethinking  
Strategies.**



**INVESTOR  
PRESENTATION**

**FY Q3 - 2022 - 23**

**Accelerating  
Sustainable Growth.**

# CONTENTS

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**03**

**Chapter**

Executive  
Summary

**04**

**Chapter**

Our Business  
Highlights

**05**

**Chapter**

Growing our  
capacity

**06**

**Chapter**

Financial  
Overview  
(Consolidated)

**07**

**Chapter**

Risks and  
Mitigation

**08**

**Chapter**

Initiatives  
undertaken in Q3

**09**

**Chapter**

Adopting  
Digitisation

**10**

**Chapter**

Capitalising  
on the  
opportunities

**11**

**Chapter**

Making ESG  
initiatives our  
priority

**12**

**Chapter**

About  
Rajratan

**13**

**Chapter**

Brands that  
rely on us

**14**

**Chapter**

Safe  
Harbour

# EXECUTIVE SUMMARY



## Consolidated financials (Q3 FY 2023)

Operating Revenue dropped by 10% YoY to Rs. 19995 Lakhs

EBITDA lower by 20% YoY to Rs. 3776 Lakhs and EBITDA margin lower by 246 bps at 18.88%

PBT was lower by 31% YoY at Rs. 2775 Lakhs

PAT lower by 33% YoY to Rs. 2200 lakhs



## Strategic

Geo-political conflicts continue to have an impact on the demand.

Muted demand in Europe led to lower off take by tyre companies in Thailand and thus created price pressure.

The raw material prices remained volatile, during the quarter.

Highly volatile prices of raw materials for tyre companies resulted in inventory correction by major tyre companies.

# OUR BUSINESS HIGHLIGHTS



## Rajratan India

- The average capacity utilization levels in Q3 stood at **77%**.
- Began supplying in bulk quantity to a major global tyre brand, Michelin.
- CRISIL reaffirmed the credit ratings of the Company to A+/Stable (Long Term Rating) A1 ( Short Term Ratings).



## Rajratan Thailand

- The average capacity utilization levels in Q3 stood at **75%**
- Started supplying in bulk quantity to Bridgestone, Thailand. The approval from another factory of Bridgestone, Thailand also initiated.
- New plating line installed in Thailand and is currently on trial run.



# GROWING OUR CAPACITY



## India (Chennai)

- Completed approximately 65% of the construction for the production block, compound wall, administration building and ancillary building.
- Received an approval under Production Linked Incentive Scheme (PLI) from Government of India.
- We are looking to complete civil, construction and erection work by Mar' 23.



This is a visual representation of the proposed Chennai plant.



## Thailand

- Commissioned the new plating line, which is under bulk trial. To obtain customers' approval, samples are being sent to the customers. The approval is expected by the end of this fiscal year.



# FINANCIAL OVERVIEW (CONSOLIDATED)



(₹ in Lakhs)

Parameters	Q3 FY23	Q2 FY23	Q3 FY22	YoY%	9M FY23	9M FY22	YoY%
Sales Volume - India (MT)	13,732	14,736	13,633	1	43,088	40,080	7.50
Sales Volume - Thailand (MT)	7,078	7,584	8,132	-13	23,179	25,255	-8.22
Sales Volume - Total (MT)	20,810	22,320	21,765	-4	66,267	65,335	1.43
Revenue	19,995	22,456	22,183	-10	67,594	64,529	4.75
EBITDA	3,776	3,768	4,734	-20	12,815	13,404	-4.39
Other Income*	(92)	198	52	-277	247	128	92.97
Depreciation	464	431	396	17	1,323	1,153	14.74
Interest	445	426	387	15	1,284	1,140	12.63
Profit before tax	2,775	3,109	4,003	-31	10,455	11,239	-6.98
Profit after tax	2,200	2,331	3,277	-33	7,985	8,730	-8.53
Equity capital (Rs. 2 face value)	1,015.42	1,015.42	1,015.42	-	1,015.42	1,015.42	-
Earnings per share (Rs.)	4.33	4.59	6.45	-33	15.73	17.19	-8.53
EBITDA margin (%)	18.88%	16.78%	21.34%	(246 bps)	18.96%	20.77%	(181 bps)
PBT margin (%)	13.88%	13.84%	18.05%	(417 bps)	15.47%	17.42%	(195 bps)
PAT margin (%)	11.00%	10.38%	14.77%	(377 bps)	11.81%	13.53%	(172bps)

\*Other Income excluded from EBITDA and EBITDA margin calculations to show core operating metrics.

# RISKS AND MITIGATION



## Risks

Price pressures and low demand because of geopolitical conflicts in Europe.

Increased import cost of raw material, energy and other overheads.



## Mitigation

The Company is increasing the wallet share in existing customers and catering to new markets in South East Asia and European region, this will help to widen the customer base further.

Developing raw material supply sources locally and engaging in reduction of cost for specialized products without impacting the quality; created energy conservation committee with objective to reduce the use of power by reducing the wastage; team is aggressively working on cost reduction project especially related to power and gas.



# INITIATIVES UNDERTAKEN IN Q3

## TPM

- Achieve Basic Condition of Machines
  - 53% of critical machines (S&A category) passed Step 3 of JH.
  - 25% of non-critical machines (B&C category) passed Step 3 of JH.
- Improved OEE's
  - 27% increase @ Pre-Drawing.
  - 6% increase @ Finish wire Drawing.
- Sustained Dust and smoke free visible shop floor.
- Integration of CLIT system into Digital Factory Platform through Connectfacts.
- Lost Cost Matrix developed to optimize cost across manufacturing value stream.
- Improved People Engagement: From 0.1 to 0.7 Kaizens/person/month.
- Challenging TPM Significant Commitment Award from CII TPM club of India by July-23.

# ADOPTING DIGITISATION

The Company has initiated a shop-floor digitisation program, Connect Facts ([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. This will help in reducing the sensorisation cost by at least 60%.
- 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.

**ConnectFacts is now fully operational at Rajratan. The shop floor is almost paperless now with enhanced digital interface for data collection and coordination. Real time dashboards monitor manufacturing reviews; crucial workflows such as preventive maintenance, quality process control happen using digital interfaces and meetings are held in virtual meeting platforms.**



**CONNECT  
FACTS**

# CAPITALISING ON THE OPPORTUNITIES

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- Besides making sincere efforts to gain an edge in the European market, we have begun supplying in small quantities to a couple of potential customers.
- To acquire new customers in **Vietnam, Cambodia, Korea** and **Malaysia**, we have started supplying some samples to one of the customer in Korea.

# MAKING ESG INITIATIVES OUR PRIORITY

- The Company uses 70% of raw material manufactured through scrap route at the Thailand plant.
- The Company is reusing chemicals to reduce industrial waste.
- Solar Roof Top Project is expected to be installed in the Rajratan Thailand by Apr' 23.
- At Rajratan, India, zero liquid discharge is installed and a dust collector is constructed, we are implementing the same in Rajratan, Thailand. These would lower power consumption, operating costs. Also, recycling treated water and reducing solid waste management costs are prioritised.
- Created Energy Conservation Committee with the objective to reduce the use of power by reducing the wastage in Rajratan, Thailand.
- ISO 14001 certification is under process in Rajratan, Thailand.

# ABOUT RAJRATAN

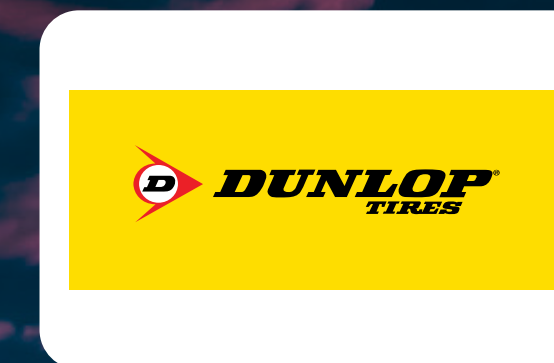
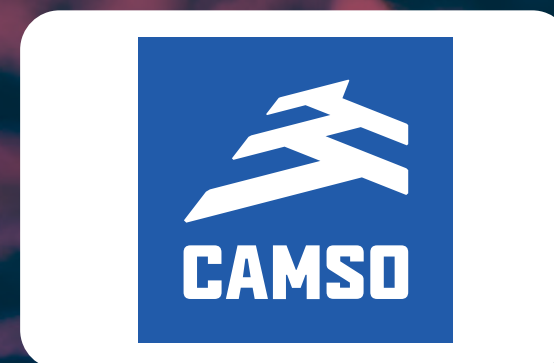
One of the world's leading and trusted bead wire manufacturers, Rajratan Global Wire Ltd (Rajratan) supplies bead wire to marquee and discerning customers across geographies. Commencing its journey in the early 1990s, Rajratan today enjoys approximately 45% market share in India and 26% market share 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 (under trial). 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.
- 66% revenue share from India operations in 9M of FY 23.
- 34% revenue share from Thailand operations in 9M of FY 23.
- Market capitalization stood at Rs 4,532 crore\* on 31st December 2022.

\* Source BSE

# BRANDS THAT RELY ON US



# SAFE HARBOUR

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# THANK YOU

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