



**RAJRATAN**  
OUTPERFORM

INDIA | THAILAND

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**RGWL/23-24/**

**21<sup>st</sup> April, 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**

**RAJRATAN GLOBAL WIRE LIMITED**

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**Rethinking  
Strategies.**



**INVESTOR  
PRESENTATION**

**FY Q4 - 2022 - 23**

**Accelerating  
Sustainable Growth.**

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# EXECUTIVE SUMMARY



## Consolidated financials (Q4 FY 2023)

Operating Revenue dropped by 11% YoY to Rs. 21943 Lakhs

EBITDA lower by 29% YoY to Rs. 3380 Lakhs and EBITDA margin lower by 381 bps at 15.40%

PBT was lower by 36% YoY at Rs. 2580 Lakhs

PAT lower by 45% YoY to Rs. 2027 lakhs



## Strategic

Demand in Thailand market remained muted due to low uptake in US and Europe tyre industry.

Severe competition in market presently due to supply of Bead Wire being more than demand.

The company has changed the strategy now to ensure efficient use of capacities and maintaining market share.

# OUR BUSINESS HIGHLIGHTS



## Rajratan India

- The capacity utilization levels in Q4 stood at **93%**.
- After a slight drop in volume, the Indian market recovered during the last quarter of FY 23.
- The Indian factory, that is globally approved for a multinational tyre company is in discussion regarding supplies to the European region (EMEA).



## Rajratan Thailand

- The capacity utilization levels in Q4 stood at **67%**.
- The sales volume dropped due to weak demand and inventory correction taken by tyre companies operating in Thailand.
- The new plating line was commissioned and will start commercial production from Q1 FY24.
- Targetting exports to South East Asia, USA and Europe and in talks with major companies for approval.



# GROWING OUR CAPACITY



## India (Chennai)

- Completed approximately 80% of the building.
- Mechine commissioning initiated.
- Mechanical and Electrical infrastructure work under process.
- Expecting trial production to commence in H2 FY24.



This is a visual representation of the proposed Chennai plant.



## Thailand

- Plating line commissioning work completed
- Working on upgrading utility and building infrastructure, after which Wire Drawing Capacity will be increased in a phased manner.



# FINANCIAL OVERVIEW



(₹ in Lakhs)

Consolidated	Q4 FY 23	Q3 FY 23	Q4 FY 22	YoY (%)	FY 23	FY 22	YoY (%)
Sales Volume - India (MT)	16,715	13,732	14,705	13.67	59,804	54,785	9.2
Sales Volume - Thailand (MT)	6,301	7,078	10,025	-37.15	29,480	35,280	-16.4
Sales Volume - Total (MT)	23,016	20,810	24,730	-6.93	89,284	90,065	-0.9
Revenue	21,943	19,995	24,757	-11.37	89,537	89,286	0.3
EBITDA	3,380	3,776	4,755	-28.92	16,195	18,159	-10.8
Other Income	84	(92)	72	16.67	331	200	65.5
Depreciation	486	464	399	21.80	1,809	1,552	16.6
Interest	398	445	403	-1.24	1,682	1,543	9.0
Profit before tax	2,580	2,775	4,025	-35.90	13,035	15,264	-14.6
Profit after tax	2027	2,200	3,703	-45.26	10,012	12,433	-19.5
Equity capital (Rs.2 face value)	1,015	1,015	1,015	-	1,015	1,015	-
Earnings per share (Rs.)	3.99	4.33	7.29	-	19.72	24.49	-
EBITDA margin (%)	15.40%	18.88%	19.21%	-381 bps	18.09%	20.34%	-225 bps
PBT margin (%)	11.76%	13.88%	16.26%	-450 bps	14.56%	17.10%	-254 bps
PAT margin (%)	9.24%	11.00%	14.96%	-572 bps	11.18%	13.92%	-274 bps

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

# RISKS AND MITIGATION



## Risks

- Lower volume for Thailand business due to stock correction taken over the last three quarters.
- The Bead wire industry in China was severely affected by COVID induced shutdowns, leading to dumping of materials at lower prices to customers.
- In India, inventory corrections were taken in Q2 and Q3 of FY 23.



## Mitigation

We expect demand to recover in FY 2024 and are closely collaborating with tyre companies in Thailand and South East Asia for securing bigger volumes in future quarters.

The domestic economy in China is opening up in a staggered manner. This is likely to increase domestic consumption in China. Additionally, we are framing a price strategy to ensure that our sales volume and production capacities are optimised while sustaining our market share.

Q4 FY 24 witnessed revival in volume even as Indian tyre industry continues to be bullish about domestic consumption as well as exports to USA and Europe.



# INITIATIVES IMPLEMENTED IN Q4 FY23:

## TPM

- The TPM Technical Training Centre was inaugurated.
- Achieve the Basic Condition of Machines
  - 96% of critical machines (S&A category) passed Step 3 of the JH
  - 46% of non-critical machines (B&C category) passed Step 3 of the JH
- Improved OEE from 55% to 62% at the pre-drawing process
- Reduction of breakdown occurrence by 37%
- Hazard Identification and Risk Assessment (HIRA) mapping is done, and 62% of potential risks are addressed through engineering solutions.
- Challenging the TPM Significant Commitment Award from the CII TPM Club of India by August 2023
- Plan to apply for the JIPM Excellence Award - A category by December 2023.

# ADOPTING DIGITISATION

- Ensured 100% implementation of all decisions, small or large
- Improved employee engagement
- Real-time dashboards at 1/10th the time and 1/4th the cost
- Improved manpower productivity
- Increased uptime of critical workstations
- Prevented performance leakages in bottleneck operations
- Saved ~1500 man-hours per month on data compilation.



# SCALING UP OUR ESG INITIATIVES

- The Company uses 70% of the raw material manufactured through the scrap route at the Thailand plant.
- The Company is reusing chemicals to reduce industrial waste.
- The Solar Roof Top Project is expected to be installed in Rajratan, Thailand, by April 2023.
- At Rajratan, India, zero liquid discharge is installed and a dust collector is installed. We are implementing the same in Rajratan, Thailand.
- These efforts will lower power consumption and operating costs. Also, recycling treated water and reducing solid waste management costs have been prioritised.
- Created an Energy Conservation Committee with the objective of reducing power usage by reducing waste in Rajratan, Thailand.
- ISO 14001 certification is under process in Rajratan, Thailand.

# ABOUT RAJRATAN



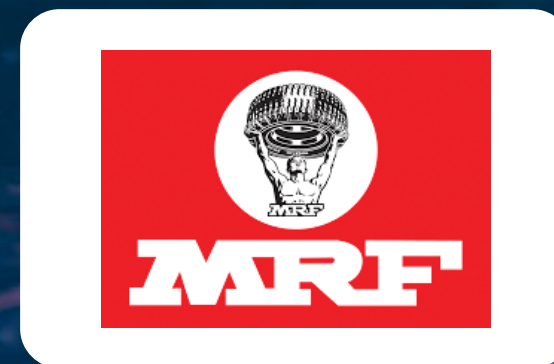
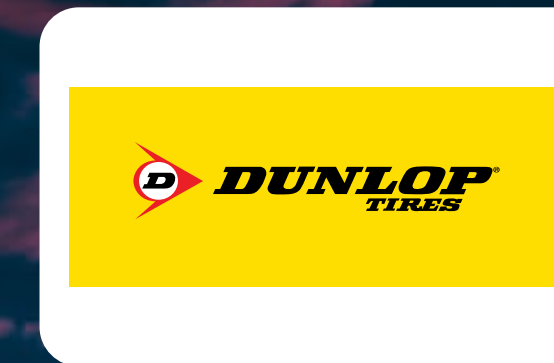
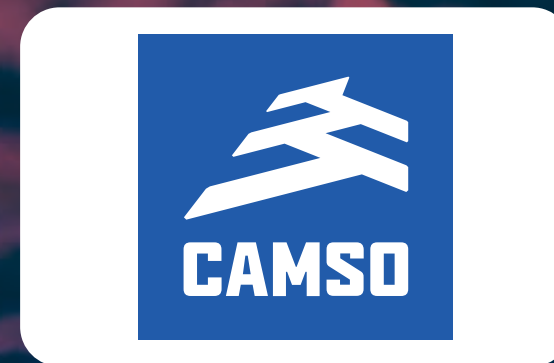
One of the world's leading and most trusted bead wire manufacturers, Rajratan Global Wire Ltd., supplies bead wire to marquee and discerning customers across geographies. Commencing its journey in the early 1990s, Rajratan today enjoys approximately 45% market share in India and 26% market share in Thailand, with growing exports to other parts of the world.

The Company has a capacity of 72,000 TPA (60,000 TPA for 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 the bead wire industry in Thailand and India.
- 68% revenue share from India operations in FY23.
- 22% revenue share from Thailand operations in FY23.
- The market capitalisation stood at Rs. 3,772 crores on March 31, 2023.

\* Source BSE

# BRANDS THAT RELY ON US



# SAFE HARBOUR

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# THANK YOU

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