



RAJRATAN
OUTPERFORM

INDIA | THAILAND

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RGWL/23-24/

21st July, 2023

To BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400001 Scrip Code – 517522	To National Stock Exchange of India Limited ‘Exchange Plaza’, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Symbol - RAJRATAN
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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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RAJRATAN
OUTPERFORM

Navigating
challenges.
Staying
resilient.

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Consolidated Financials (Q1 FY24)

- Operating Revenue dropped by 19% YoY to Rs. 20,385 Lakhs
- EBITDA was lower by 52.3% YoY to Rs. 2,512 Lakhs and EBITDA margin was lower by 864 bps at 12.32%
- PBT was lower by 63% YoY at Rs. 1,696 Lakhs
- PAT lower by 64% YoY to Rs. 1,243 Lakhs



Strategic

For India Business

- Taken up extensive projects to increase market reach in India
- Implementing TPM to improve OEE (Overall Equipment Effectiveness).

For Thailand Business

- The Company is focusing on the domestic market and increasing market share, as capacity installation is complete and quantity is available for sale.
- Initiating TPM introductory activities in Rajratan Thailand.

Key Business Achievements for Q1

- During Q1, we expanded our customer base in the USA, Vietnam and Europe.
- The dedicated International Export team has been continuously visiting customers in South East Asia and Europe to rope in new customers.
- Rajratan Thailand - The last leg of infrastructure work for expansion will be completed in Q2 FY24.



For our people



Thailand Workshop

A 2-day workshop was organised for 60 employees, aimed at improving their soft skills (such as problem-solving, teamwork) and motivating them to achieve common organisational goals.



India Health Camp

A 2-day free health camp focusing on the well-being of employees and their families was organised, with participation reaching 50%+.



CSR initiatives

- We contributed to various NGOs that primarily support the underprivileged in terms of health and education.
- Distributed food and medicine to elderly individuals on the eve of the Songkran Festival.
- Sponsored food and drinks for the committee working towards environmental benefits in the surrounding locality.

Scaling Our Capacity and Impact



India (Chennai)

- Completed approximately **90%** of the building.
- Machine commissioning is underway.
- Mechanical and electrical infrastructure completed upto **50%**.
- Expecting trial production to commence in H2 FY24.



Financial Landscape

	Rs. In Lakhs			
Consolidated	Q1FY24	Q4FY23	Q1FY23	YoY%
Sales Volume - India (MT)	14717	16715	14623	0.64
Sales Volume - Thailand (MT)	7484	6301	8518	-12.14
Sales Volume - Total (MT)	22201	23016	23141	-4.06
Revenue	20385	21943	25143	-18.92
EBITDA	2512	3380	5271	-52.34
Other Income*	130	84	141	-7.80
Depreciation	417	486	428	-2.57
Interest	529	398	413	28.09
Profit before tax	1696	2580	4571	-62.90
Profit after tax	1243	2028	3453	-64.00
Equity capital (Rs.2 face value)	1015	1015	1015	-
Earnings per share (Rs.)	2.45	3.99	6.81	-
EBITDA margin (%)	12.32%	15.40%	20.96%	-864 bps
PBT margin (%)	8.32%	11.76%	18.18%	-986 bps
PAT margin (%)	6.10%	9.24%	13.74%	-764 bps

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

Management's Perception



Sunil Chordia
Chairman &
Managing Director



The quarter witnessed aggressive competition in our Thailand business coupled with sharp drop in realisation (led by drop in raw material price), thereby impacting our overall revenue growth and profitability in Thailand operations, in spite of volume growth in Q1FY24 versus Q4FY23.

With respect to India operations 2 factors were an impediment to our growth. One being the lower production levels of tyre companies during the quarter (tyre companies were not working at peak capacities) and increased competitiveness in imports from global players on the other in some customers.

We are going through a transformational phase in the industry with aggressive supplies by competitors in the South East Asian region, especially post opening up of China, coupled with the ensuing geopolitical situation in Europe impacting overall tyre production in Thailand. The company has embraced a proactive sales approach at augmenting its market share. During the quarter we expanded our customer base in the USA, Vietnam and Europe and established our sales teams in USA and Europe aimed at enhancing our global presence.

At Rajratan we have emerged stronger and better from such challenges in the past while we aim to "Outperform" against all odds. In spite of all these challenges we continue to be positive on the long term opportunity in the sector and are better prepared to meet future growth opportunities with our expanding capacities.



Performance Analysis and Rationale

Analysis	Rationale
Competition from China post-pandemic	The company has embraced a proactive sales approach aimed at augmenting its market share.
Loss due to high raw material inventory cost	During the first quarter, the Company incurred losses due to high raw material inventory costs caused by a continuous decrease in the process. However, it is anticipated that this issue will be resolved and normalised in the upcoming quarters.
Increasing inventory cost at lower production levels	With the commissioning of the new coating line, it sent trial lots to existing customers, leading to increased costs due to simultaneous operation with the old lines. Trial process has been completed and older lines have been discontinued. Higher production volume are expected to further decrease the production cost.

Navigating Uncertainties



Risks

Thailand

Raw material cost and on-time availability.

India

Expansion in capacity by one of the competitors



Mitigation

To mitigate the risk of high purchase costs, we aim to develop a new, cost-effective source of high-quality raw materials from a reliable supplier for our specialised products.

The establishment of a 60,000 TPA Green Field factory in Chennai will enhance the overall capacity of the Rajratan Group. The strategic location near a port enables efficient exports while supplying major tyre companies in the Southern region from Chennai provides a competitive advantage.

About Rajratan

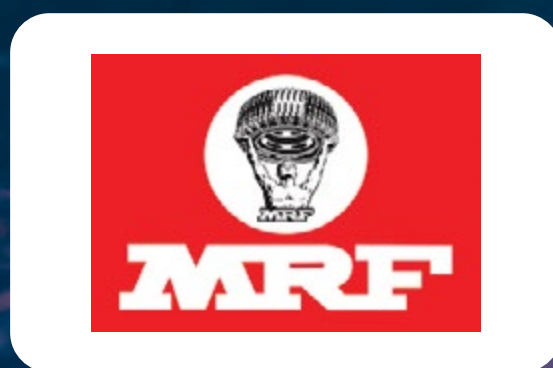
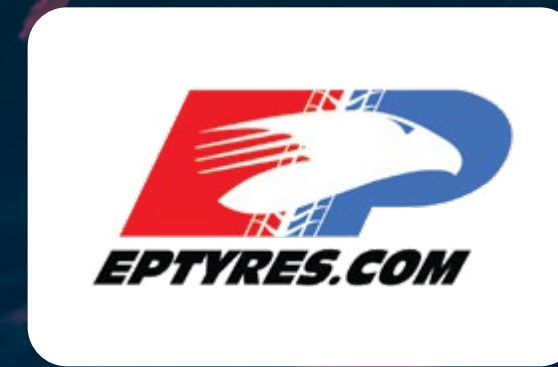
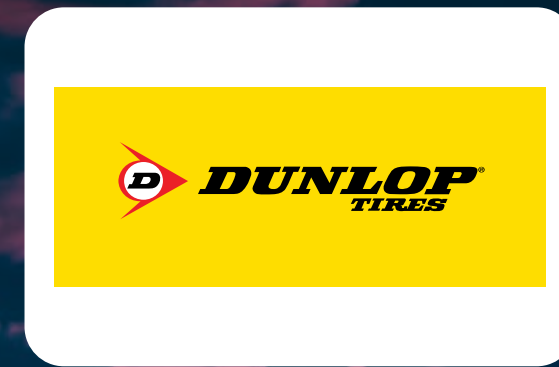
One of the world's leading and most trusted bead wire manufacturers, Rajratan Global Wire Ltd., supplies bead wire to marquee and discerning customers across geographies.

The Company has a capacity of 72,000 TPA (60,000 TPA for 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 the bead wire industry in Thailand and India.
- **69%** revenue share from India operations in Q1 FY24.
- **31%** revenue share from Thailand operations in Q1 FY24.
- The market capitalisation stood at **Rs. 4,242*** crores on June 30, 2023.

* Source BSE

Our Marquee Clientele



Safe Harbour



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Thank You



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