



RAJRATAN

OUTPERFORM

INDIA | THAILAND

www.rajratan.co.in



RGWL/21-22/

18th January, 2022

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

RAJRATAN GLOBAL WIRE LIMITED

Regd. Office: Rajratan House, 11/2, Meera Path, Dhenu Market, Indore-452003, Madhya Pradesh, India. Tel.: +91-731-2546401 Fax: +91-731-2542534
Factory: 200-B, Sector-1, Pithampur-454775, Dist. Dhar, Madhya Pradesh, India. Tel.: +91-7292-253429, 253375 Fax: +91-7292-253357

CIN No. L27106MP1988PLC004778

Outperform!

Rajratan Global Wire Limited

Investor presentation

Third quarter

2021-22



Rajratan Global Wire at a glance

Rajratan is among one of the largest bead wire manufacturers in Asia (ex China)

Rajratan is the largest bead wire manufacturer in India

Rajratan is the only bead wire manufacturer in Thailand

Rajratan is a dependable bead wire partner for prominent tyre companies in Asia

Our vision, mission and values

Vision

To become the leading and most preferred bead wire manufacturer and supplier to tyre companies in India and 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

Overview

Background

The Company was founded by Mr. Sunil Chordia and his family in 1989 under the name of Rajratan Wires Pvt. Ltd. The name of the Company was changed to Rajratan Gutsav Wolf Ltd. in the year 1996 and was then changed to Rajratan Global Wire Limited in 2004.

Products

The Company has been engaged in the manufacturing of bead wire and high carbon steel carbon wires for over 25 years.

Customers

The Company enjoys long-term relationships of five years or more with over 83% customers associated with the Company.

Manufacturing capacity

The Company possesses an aggregate wire manufacturing capacity of 112,000 tonnes per annum (India (72,000 TPA) and Thailand (40,000 TPA)).

Promoter's holding

Mr. Sunil Chordia and his family hold 65% equity in the Company.

Locations

The Company has two manufacturing facilities at Pithampur (Madhya Pradesh) in India and Ratchaburi in Thailand.

Exports

The Company exports products to customers in India (from Thailand), USA, Malaysia, Indonesia, Philippines, Vietnam, Sri Lanka and Finland among others.

Our prestigious marquee customers – India



Our prestigious marquee customers – Thailand



Our prestigious marquee customers – International



Sri Lanka • Vietnam • Malaysia • Italy • Indonesia • Czech Republic

Sectoral environment

964.19

Lakh units, India's
tyre production,
H1 FY 2021-22

51

%, YoY rise in India's
tyre production,
H1 FY 2021-22

9,926

Rs. crore, India's
tyre exports,
H1 FY 2021-22

70

%, YoY rise in India's
tyre exports,
H1 FY 2021-22

(Source: Economic Times, ATMA)

Company's performance, Q3 FY 2021-22

Overview

Initiative: The Company strengthened its TPM journey to match the demanding JIPM benchmarks, and its quality assurance and quality control reviews. Moreover, the Company stabilized its product quality, customer relations, service turnaround time and ability to address customized needs.



Impact: The Company reported improved operating efficiency and an enhanced quality benchmark. Besides, the Company retained customer wallet share while certain customers have also provided Rajratan with complete vendor management system for their bead wire stock.

Initiative: The Company moderated scrap generation, enhancing manufacturing yield.



Impact: The Company capped its manufacturing and general administrative expenses.

Initiative: The Rajratan Thailand plant focused on enhancing its competitiveness.



Outcome: The plant strengthened its working capital efficiency, reducing conversion cost and leveraging the benefit of a tax-exempt sale of more than 20,972 MT.

Rajratan's highlights, Q3 FY 2021-22

Highest
Consolidated
Quarterly Net
Profit

Highest
Consolidated Net
Profit for 9
Months

Highest quarterly
Production at
Rajratan Thailand

CRISIL assigned
A+ rating to
Rajratan India

Rajratan's comparative performance (Consolidated)

Rs. In lakhs

Parameters	Q3 FY22	Q2 FY22	Q3 FY21	YoY (%)	9M FY22	9M FY21	YoY (%)
Sales volume (MT)	21,765	23,526	20,689	6	65,335	49,666	32
Revenues	22,183	24,117	15,922	39	64,529	36,289	78
EBITDA	4,734	5,068	2,619	81	13,404	5,969	125
Other Income	52	67	67	-22	128	104	23
Depreciation	396	387	359	10	1,153	1,050	10
Interest	387	387	336	15	1,140	955	19
Profit before tax	4,003	4,361	1,991	101	11,239	4,068	176
Profit after tax	3,277	3,261	1,472	123	8,730	2,992	192
Equity capital (Rs. 10 face value)	1,015	1,015	1,015	-	1,015	1,015	-
Earning per share (Rs)	32.27	32.11	14.51	123	85.97	29.47	192
EBITDA margin (%)	21.34%	21.01%	16.45%	489 bps	20.77%	16.45%	432 bps
PBT margin (%)	18.05%	18.08%	12.50%	555 bps	17.42%	11.21%	621 bps
PAT margin (%)	14.77%	13.52%	9.25%	552 bps	13.53%	8.24%	529 bps

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

Prominent corporate developments, Q3 FY 2021-22

Rajratan India

- The Company broadbased its sectorial mix beyond the tyre sector: it addressed aluminium clad and optical fibre cable manufacturers.
- The Company executed a long-term lease deed with Sipcot Industrial Park; it received possession of land for its proposed greenfield expansion in Chennai.
- The Company commenced a new high speed strand pickling line to enhance productivity and product quality.
- The Company capitalised on competitive ocean freight from India to increase exports to US and Europe.
- The Company enhanced shopfloor safety and environmental measures (installation of equipment to contain Source of Contamination leading to a dust-free environment; order for Multi-Effect Evaporation resulting in zero liquid discharge).

Prominent corporate developments, Q3 FY 2021-22

Rajratan Thailand

- The Company constructed a new warehouse (storage capacity 5,000 MT).
- The Company embarked on a new powder coating plant for spools, which will enhance spools and product quality.
- The Company completed modifications related to the government's Environment Impact Assessment requirements (pollution mitigation, chemical fume extractions systems, waste management / disposal and infrastructure upgradation).
- The Company planned booster vaccination for its Thailand employees.

Challenges and counter-initiatives, Q3 FY 2021-22

Rajratan India

Decrease in demand: Due to factors such as supply chain bottlenecks and increase in vehicle prices, the demand went down and securing its share of profits amidst low demand.

Mitigation: The Company broad-based its presence to the emerging customers.

Increase in raw material prices: Steel cost increased in Q3, FY 2021-22; hot rolled coils, wire rods and rebars reported an increase.

Mitigation: The Company worked closer with customers to pass on this increase in raw material costs.

Logistics costs: The in-country logistics cost increased sharply on account of approximately 30% vehicles being out of operation and increase in vehicle demand for perishable goods, among other factors.

Mitigation: The Company provided a one-time special freight hike/incentive of 20% to transporters for two months.

Challenges and counter-initiatives, Q3 FY 2021-22

Rajratan Thailand

Availability of containers: Shipping containers for export were not easily available and priced higher. This resulted in the delayed delivery of raw materials and higher landed costs.



Mitigation: The Company focused on local supply to customers in Thailand; export customers were supplied around a variable freight arrangement. The Company developed local resource suppliers.

Spool management: The management of spools inventory became a challenge.



Mitigation: The team accelerated spool collection from customers. The Company worked closer with new customers to help them with equipment modification and easier spools usage.

Outlook, Q4 FY 2021-22

The automotive market is expected to revive from February 2022 and normalize by March 2022 with the domestic and export tyre demand robust

The EPC contracts are under finalization for the Chennai greenfield expansion.

Digitalisation of manufacturing/production process will extend into Q4 FY 2021-22.

The Indian tyre industry's demand is anticipated to grow by 13-15% in the OEM segment and 7-9% in the replacement market segment in FY 2021-22.

Source: ICRA, Hindustan Times

For more details please contact:

Rajratan Global Wire Ltd

Shubham Jain,

Company Secretary

investor.cell@rajratan.co.in

<https://www.rajratan.co.in>

KAPTIFY®

Strategy & Investor Advisory | Consulting

contact@kaptify.in

Tel: +91-845 288 6099

<https://www.kaptify.in>

Thank you