

Rajoo Engineers Limited

Rajoo Avenue
Survey No. 210, Plot No.1
Industrial Area, Veraval (Shapar)
Rajkot - 360 024, India

Phone : +91-97129-62704/52701/32706
Fax : +91-2827-252700
E-mail : rel@rajoo.com
Web : www.rajoo.com

RAJOO[®]
excellence in extrusion

REF: BSE/PRESS RELEASE/ MEDIA RELEASE/Q1/2021-22.

9th August, 2021

To,
The Department of Corporate Services,
The Bombay stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.
BSE Scrip Code: 522257

Dear Sir / Madam,

SUB: DISCLOSURE UNDER REGULATION 30 OF THE SEBI (LODR) REGULATIONS, 2015 WITH REGARD TO Q1 MEDIA RELEASE/ PRESS RELEASE.

Dear Sir/ Madam,

Please find enclosed herewith the Media Release of the Company for the 1st Quarter ended 30th June, 2021 for your record and further dissemination.

This may kindly be considered as a disclosure pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information and record.

Thanking you,

Yours faithfully,
For, **RAJOO ENGINEERS LIMITED**



(Darshak Thaker)
(Company Secretary & Compliance Officer)
(M.NO: A46919)



Regd. Office : Junagadh Road, Manavadar, Dist. Junagadh - 362 630. Gujarat - India.

CIN : L27100GJ1986PLC009212 GSTN : 24AABCR3204M1ZL



Media Release

Growth driven by increasing demand from Flexible Packaging Industry

Strong & steady order book led to growth in Top line

- Q1 FY22 Revenue from operations at Rs. 32.93 crore
- Q1 FY22 EBIDTA (excluding Other Income) at Rs. 2.01 crore
- Q1 FY22 EBIDTA Margin (excluding Other Income) at 6.10%
- Q1 FY22 PAT at Rs. 1.06 crore
- Q1 FY22 Net Profit Margin at 3.21%
- Q1 FY22 Basic EPS at Rs. 0.17

Rajkot, August 7th, 2021: Rajoo Engineers Limited (BSE: 522257), amongst leading plastic extrusion machine manufacturers in India, with nearly 35 years of “excellence in extrusion” in the industry, announced its unaudited financial results for the first quarter ended 30th June 2021. These financials are as per the IND AS accounting guidelines.

Key Financials (Rs. In Crore):

Particulars	Q1 FY22	Q1 FY21	YoY%	Q4 FY21	YoY%
Revenue from operations	32.93	24.44	34.70%	56.10	(41.31%)
EBIDTA*	2.01	2.93	(31.52%)	6.04	(66.79%)
EBIDTA Margin (%)	6.10%	11.99%	(589 bps)	10.77%	(467 bps)
PAT	1.06	1.39	(23.65%)	3.35	(68.46%)
PAT Margin (%)	3.21%	5.67%	(246 bps)	5.98%	(277 bps)
Basic EPS (in Rs.)	0.17	0.23	(26.09%)	0.55	(69.09%)

*Excluding Other Income

Performance Highlights - For the first quarter ended 30th June 2021

Revenue from operations for the quarter was **Rs. 32.93 crore** in Q1 FY22, as against Rs. 24.44 crore in Q1 FY21, a YoY increase of 34.70%. Growth driven by increase in demand from flexible Packaging Industry. The Company has a strong & steady order book that enabled it to not only sustain but also grow its sales in these challenging times, during the first quarter. However, as

the metal prices and logistics rates increased significantly during this quarter, this impacted our operating profits. The Company's orders are with firm prices and does not allow any scope of claiming price escalation. The orders executed during first quarter were mostly orders booked before March 21. It is notable that that the Company tried to protect its bottom line with focus on optimising its process costs and absorb the significant rise in the raw material costs to some extent

EBITDA (excluding Other Income) was at **Rs. 2.01 crore** in Q1 FY22 as against **Rs. 2.93 crore** in Q1 FY21, decline of 31.52% YoY, mainly on account of significant rise in raw material prices in last two quarters, especially in Steel, Steel Products and Polymer, and logistics expenses

EBIDTA Margin was at **6.10%** - a decrease of **589 bps** YoY. Rise in raw material cost and metal contributes approx. 60-65 % in our RM cost. Sharp rise in metal prices during Q1 has affected the margins on orders executed during this period

Profit after Tax was **Rs. 1.06 crore** in Q1 FY22 compared to Rs. 1.39 crore in Q1 FY21

PAT Margin was at **3.21%** - a decrease of **246 bps** YoY

Basic EPS stood at Rs. 0.17 in Q1 FY22 as compared to Rs. 0.23 in Q1 FY21

Recent Developments:

- Rajoo Kohli's well attended open house was a one-of-a-kind event, and it was all streamed live online from the shopfloor of the customer- Balaji, Multiflex in Rajkot- a well-known brand in the savoury and potato chips market
 - ✓ On 29th July 2021 Rajoo Engineers and Kohli Industries organized a virtual open house of their Lamex 360 coating extrusion and lamination line. Event was attended by more than 500 participants from India and abroad
 - ✓ "LAMEX – A result of an unbeatable combination of technology and engineering from Rajoo (the leaders in extrusion) and Kohli (the leaders in web handling)"



▪ **Features:**

- ✓ Extrusion coating and laminating for paper, film, and aluminum foils
- ✓ Extrusion capabilities for LDPE, LLDPE, Ionomers, PP, EVA, EMA, EVOH etc.
- ✓ Gravure coating station
- ✓ Surface treatment by corona treater and chemical priming
- ✓ Extruder size selected to meet process requirements for output and coating thickness
- ✓ Automatic die with thickness control with beta sensor.
- ✓ Co-extrusion using universal feed - block technology
- ✓ Fully automatic turret winders and unwinders

- **Applications:** Snack food pouches, packaging, condoms , Paper cup stock, Cigarette boxes, Decorative boxes, Juice cartons, Pet food boxes, Soup sachets, Condiment packs, Toothpaste pack, medical pack, Hair cream pack, Chips pack

Management Comment:

Commenting on the Company's performance, **R. N. Doshi, Chairman, Rajoo Engineers Ltd** said:

"During the first quarter we registered a 34.70% year-on-year rise in revenue at Rs. 32.93 cr, with EBITDA and PAT of Rs. 2.01 crore and Rs. 1.06 crore, respectively. This significant growth in revenue has been on account of higher demand for flexible packaging products due to change in consumer sentiments towards packaged products. A continued rise in raw material prices especially steel products and polymers, coupled with logistics cost impacted margins. However, our order position as well as dispatches have grown substantially.

The ongoing COVID-19 calamity hampered our growth in the last fiscal and created headwinds during the first quarter as well. During such times, we helped in any way we would – financially and any in way we could, to families of our deceased employees affected from Covid 19 in Q1 FY22. The distress faced by the entire world has forced all of us to take a step back and reevaluate our way of doing business and we have used this slowdown as an opportunity to frame new strategies and develop new products that will ensure sustainable progress in the coming years. We are cautiously optimistic for the coming quarters based on the market scenario, rising demand and opening up of markets in the post-COVID environment.

It is industry practice to build machines with client specifications to garner competitive advantage. However, at Rajoo, we have always been pioneers of change and innovation. We

*focus on identifying just the right technologies and its mix, to add value to client business. In July 2021, we hosted an open house event along with Kohli Industries to showcase the **new Lamex 360 line** at our customer's - Balaji's facility. We are being appreciated by stalwarts in this business for the 'appropriate technologies' approach to help customer's business rather than offering standard solutions. This reinforces stamp of 'excellence in extrusion'.*

Our success so far has been driven by our most important asset – our team! I would like to take this opportunity to thank each member of the Rajoo family. I would also like to thank our Clients, Creditors, Banks, Financial Institutions, and all other Stakeholders. Their faith in us and support extended makes it easier for us to strive and excel.”

About Rajoo Engineers Limited

Based in Rajkot, Rajoo Engineers Limited, having made a modest beginning in 1986, has today emerged as an undisputed global player in blown film and sheet extrusion lines. Owing to its focused efforts in blown film, sheet extrusion lines and thermoformers, the Company enjoys a premium market position in this segment. Being a technology driven Company, product innovations, world-class quality, state-of-the-art workmanship, increased energy efficiency and high levels of sophistication and automation have become the hallmark of Rajoo products during all these years, positioning the Company's products on a global platform, competing with the established world leaders. With representations in many countries of the world and customers in over 70 countries, the Company's exports have multiplied after its debut in the international market in 1990. (www.rajoo.com)

For further information, please contact:

Ms. Sonal Pithava Rajoo Engineers Limited Email: sonal.pithava@rajoo.com www.rajoo.com	Ms. Savli Mangle/Mr. Rupesh Rege Bridge Investor Relations Pvt. Ltd. Email: savli@bridge-ir.com / rupesh@bridge-ir.com www.bridge-ir.com
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Caution Concerning Forward- Looking Statements:

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other risk factors, viewers are cautioned not to place undue reliance on these forward-looking statements. The Company will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.