

Rajoo Engineers Limited

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4th February, 2019

To,
The Department of Corporate Services,
The Bombay Stock Exchange Ltd.,
Phiroz Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

BSE CODE : 522257

SUB: Investor Presentation

Dear Sir/Madam,

Please find attached herewith Investor Presentation of the Company for your record and further dissemination.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For, RAJOO ENGINEERS LIMITED,

Jadejavi Jay
(CS. Vijay Jadeja)
Compliance Officer





Rajoo Engineers Limited

**Q3 & 9M FY19 Result Update Presentation
February 2019**

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Chairman's Message



**Commenting on results,
R. N. Doshi, Chairman and
Managing Director,
Rajoo Engineers Limited said:**

"For the quarter ended 31st December 2018, we delivered revenue of Rs. 30.36 cr along with EBITDA of Rs. 6.22 cr and PAT of Rs. 3.44 cr. The domestic sales have been affected in this quarter due to the continued ban on single use plastic in some states of India. However from January onwards, we are seeing this changing and expect growth has already commenced in these coming quarters. Each state has come up with a different policy of banning single use plastics that is leading to a want for more clarity and better understanding. The consumers and the Government do realise that there is no substitute to these plastic products. Proactively, as a positive sign, the Central Government has constituted a committing of leading experts to study the steps being taken world over and to advice the Government to define the products to be termed as single use plastics so that a uniform country-wide policy can be framed.

We continue to focus on improving our operational efficiencies, technical innovation and development. We are well poised to capitalize on the increase in industry opportunities over a long-term period.

Our Company continues to focus on being innovative and the best in the industry. In line with this, we have also entered into a High Impact Alliance with Kohli Industries to change the Market Dynamics of Extrusion Coating and Lamination Machines. This alliance will provide unparalleled expertise, technology and service to the flexible packaging industry. The Rajoo-Kohli co-branded LAMEX Series of Extrusion Coating and Lamination lines will be assembled at Rajoo's facility at Rajkot complying with the highest standards of design and manufacturing that Rajoo is known for. The result being a wide range of solutions to suit varied applications. Within the next 120 days, the first Rajoo-Kohli machine will roll out to make its mark, as excellence will go beyond extrusion, into the web converting solutions as well.

I would like to thank the entire team of 'Rajoo' for their untiring efforts, hard work, sincerity and dedication. Also, I would like to thank our valued Shareholders, whose support and faith in our Company has given us the determination and ambition to set and achieve higher benchmarks"



Consolidated Financial Highlights

Consolidated Quarterly Financial Highlights – Q3 & 9M FY19

Rs. Cr	Q3 FY19	Q3 FY18	Y-o-Y %	9M FY19	9M FY18
Income from Operations	30.36	46.97		84.98	86.37
Other Operating Income	0.00	0.00		0.00	0.00
Total Income	30.36	46.97	-35.36%	84.98	86.37
Raw Materials	16.36	30.01		50.61	49.03
Employee Cost	4.03	3.50		10.16	9.74
Other Expenses	3.75	3.76		13.25	12.49
Total Expenditure	24.14	37.27		74.02	71.27
EBITDA	6.22	9.71	-35.89%	10.96	15.11
EBITDA Margin (%)	20.50%	20.66%		12.90%	17.49%
Other Income	0.07	0.36		1.02	1.10
Depreciation	0.97	0.33		2.81	2.03
Interest	0.69	0.42		1.87	0.72
Profit Before Tax	4.63	9.31		7.30	13.46
Tax	1.19	2.27		2.19	3.60
Profit After Tax	3.44	7.04	-51.14%	5.11	9.86
PAT Margin	11.34%	15.00%		6.01%	11.41%
EPS in Rs.	0.56	1.14	-50.88%	0.83	1.60

Q3FY19 vs Q3FY18:

- Revenue decline of 35.36% - sales affected as delivery of a specific category of machines continued to be put on hold by clients on account of poor sentiment due to plastic ban in certain parts of India for disposable containers
- EBITDA decline of 35.89% - in line with revenue drop and slight increase in employee costs
- PAT decline of 51.14%. - Interest costs increased YoY on account of investment in advanced technological machines that have been funded by mix of internal accruals and debt, leading to higher debt & finance costs. Additionally, solar project started in April FY 18 led to increase in depreciation

Consolidated Balance Sheet as on 30th September

Rs. Cr	30 th Sept 2018	31 st Mar 2018
Equity	59.97	60.15
Equity Share Capital	6.15	6.15
Other Equity	53.82	54.00
Non Current Liabilities	13.05	7.86
Financial Liabilities		
Borrowing	8.49	3.74
Deferred Tax Liabilities (Net)	4.55	4.12
Other Current Liabilities	0.00	0.00
Provisions	0.00	0.00
Current Liabilities	57.05	80.76
Financial Liabilities		
Borrowings	11.63	10.23
Trade Payables	15.72	26.53
Other Financial Liabilities	2.88	7.48
Other Current Liabilities	24.30	28.40
Provisions	2.52	8.12
Total Liabilities	130.07	148.77

Rs. Cr	30 th Sept 2018	31 st Mar 2018
Non-current Assets	52.18	52.21
Property, Plant and Equipment	45.39	44.56
Intangible Assets	2.23	2.37
Capital WIP	1.13	2.24
Financial Assets		
Investments	1.99	2.00
Deferred Tax assets	0.00	0.00
Loans	0.56	0.37
Other	0.88	0.66
Current Assets	77.89	96.56
Inventories	53.49	55.19
Financial Assets		
Investments	0.00	0.00
Trade Receivables	2.15	3.45
Cash & Cash Equivalent	2.56	4.58
Bank Balance other than cash	0.00	9.10
Loans	0.02	0.05
Other	0.01	0.02
Other Current Assets	19.66	24.18
Total Assets	130.07	148.77

Consolidated Annual Performance Highlights - FY18

31.54%↑

Total Income Rs 146.51 Cr

70.97%↑

EBITDA Rs 21.11 Cr

332bps↑

EBITDA Margin 14.41%

89.48%↑

PAT Rs 11.89 Cr

248bps↑

PAT Margin 8.11%

87.96%↑

EPS Rs 2.03 v/s Rs. 1.08 FY17

Revenue from operations - YoY growth of 31.54% - growth in value added products in the flexible packaging market

EBITDA Margins increased by 332 basis points to 14.41% - focus on technological innovation & increase in operational efficiencies

Consolidated Annual P&L Highlights

Rs. Cr	FY18	FY17*	Y-o-Y %
Income from Operations	146.51	111.38	
Other Operating Income	0.00	0.00	
Total Income	146.51	111.38	31.54%
Raw Materials	83.95	65.29	
Employee Cost	14.06	10.99	
Other Expenses	27.38	22.75	
Total Expenditure	125.39	99.03	
EBITDA	21.11	12.35	70.97%
EBIDTA margin (%)	14.41%	11.09%	
Other Income	0.82	0.86	
Depreciation	2.78	2.48	
Interest	0.99	0.92	
Profit Before Tax	18.17	9.81	
Tax	6.11	3.54	
Profit After Tax	12.06	6.27	92.44%
Items that will not be reclassified to P&L	-0.17	0.01	
Net Profit	11.89	6.27	89.48%
Net Profit margin	8.11%	5.63%	
EPS in Rs.	2.03	1.08	87.96%

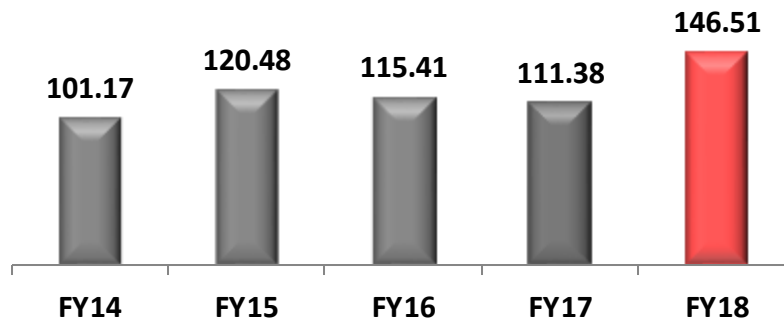
Consolidated Balance Sheet as on 31st March 2018

Rs. Cr	31 st Mar 2018	31 st Mar 2017
Equity	60.15	43.35
Equity Share Capital	6.15	5.80
Other Equity	54.00	37.55
Non Current Liabilities	7.86	2.87
Financial Liabilities		
Borrowing	3.74	0.00
Trade Payables	0.00	0.00
Provisions	0.00	0.75
Deferred Tax Liabilities (Net)	4.12	2.12
Other Current Liabilities	0.00	0.00
Current Liabilities	80.76	58.96
Financial Liabilities		
Borrowings	10.23	6.64
Trade Payables	26.53	23.83
Other Financial Liabilities	7.48	0.40
Provisions	28.40	23.33
Other Current Liabilities	8.12	4.74
Current Tax Liabilities (Net)	148.77	105.18
Total Liabilities	60.15	43.35

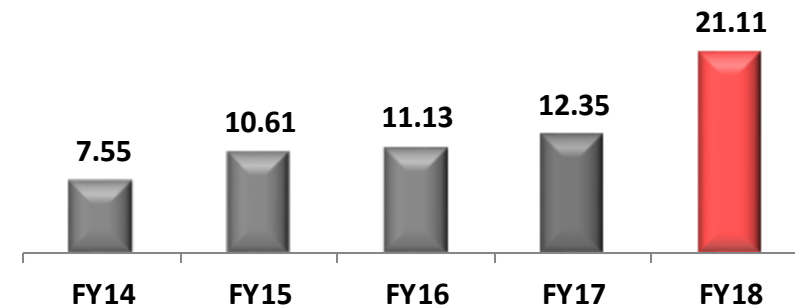
Rs. Cr	31 st Mar 2018	31 st Mar 2017
Non-current Assets	52.21	32.41
Property, Plant and Equipment	44.56	27.10
Capital WIP	2.24	1.46
Intangible Assets	2.37	1.44
Financial Assets		
Deferred Tax assets	0.00	0.00
Investments	2.00	2.00
Loans	0.37	0.34
Other	0.66	0.07
Current Assets	96.56	72.77
Inventories	55.19	24.38
Financial Assets		
Investments	0.00	0.00
Trade Receivables	3.45	23.93
Cash & Cash Equivalent	13.68	9.37
Loans	0.05	0.04
Other	0.02	0.00
Current Tax Assets	0.00	0.00
Other Current Assets	24.18	15.05
Total Assets	148.77	105.18

Annual Financial Highlights - Five Year Trend

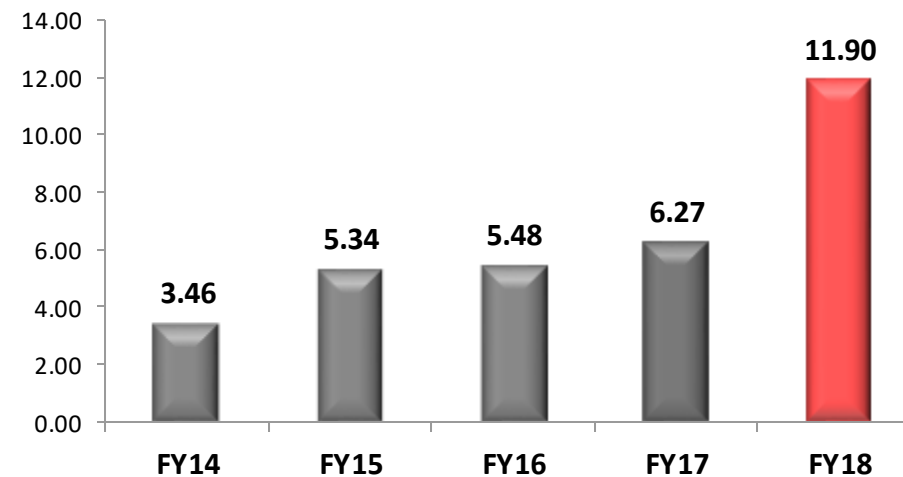
Revenue (Rs. Crore)



EBITDA (Rs. Crore)

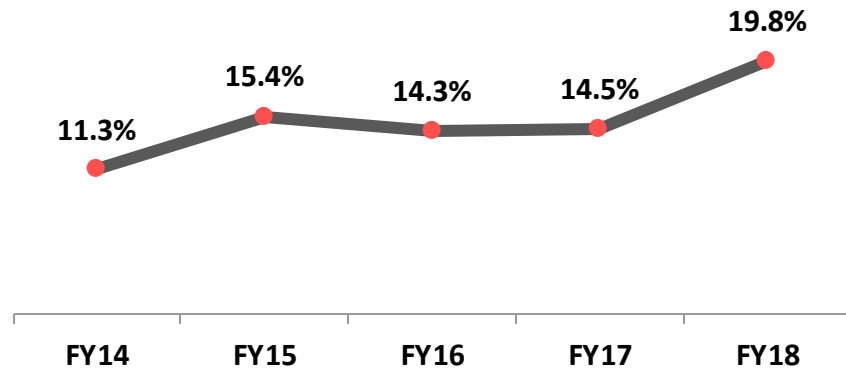


PAT (Rs. Crore)

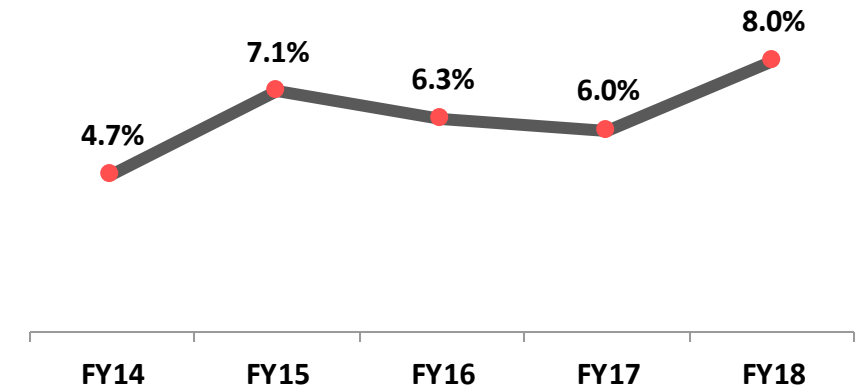


Growing Return Ratios - Five Year Trend

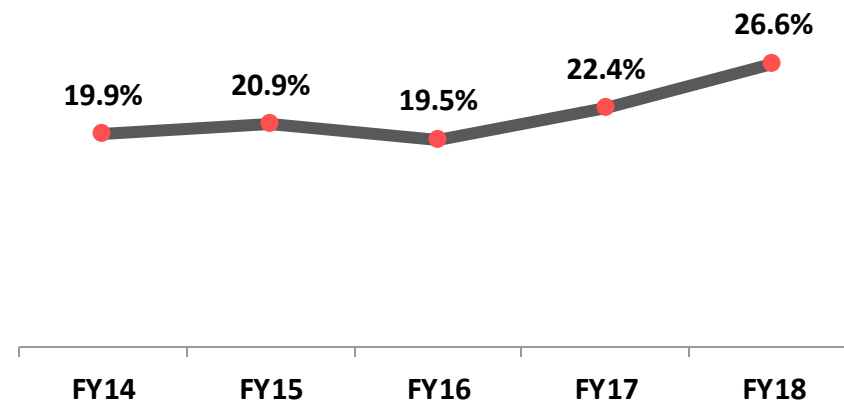
RoE(%)



RoA(%)



RoCE(%)





Company Overview

Among leading extrusion machinery manufacturers

State of Art Integrated Manufacturing Facilities & R&D center

Strong Geographical Footprint

Experienced Management Team

Wide and Diverse Product Portfolio

Key Strategic Partnerships

- 30 Years of excellence in extrusion
- Knowledge, experience, technology assimilation and implementation are skills harboured by Company result in number of 'technology firsts' and ability to suit solutions to regional needs
- World-class integrated facilities at Rajkot, Gujarat -comprise R&D, design office, tool-room, die shop, metal treatment shop, fabrication shop, paint shop, assembly shop and testing shop
- Implemented ERP System/ SAP – S4 HANA – an Industry First in India
- First Asian Company to start Inhouse R&D Center – Received DSIR approval
- Installations across 60 countries
- Latin America, Europe, North & South America, Middle East, Asia Pacific and Africa
- Over 50% of Sales from Exports in FY18
- Strong Management team with over 30 years of experience
- Backed by skilled & experienced
- Diverse product offerings across extrusion machinery catering to wide range of sectors
- Due to integrated facilities, capability to offer complete and most energy efficient products to customers
- Strategic Partners - Bausano & Figli- Italy, MEAF Machines B.V.- Netherlands, Commodore Technology LLC-USA, Wonderpack – Nashik (India)

Journey So Far...

- Incorporated in 1986
- Launched – **FOILEX – Mono layer blown film line**, **LAMINA – Mono layer sheet extrusion line**, **AQUAFLEX – Downward film extrusion**, **FOMEX – Chemically formed blown film line**.
- 1st Indian Co-extrusion feed block for multilayer sheet line, foamed PVC profile line, Oscillating Haul-off system, Multifoil with lay flat width of 3000 mm
- Entry into International market with maiden export of blown film line to Tanzania
- Began operations at Rajkot and Technical collaboration with Wittey machinery, UK based Company
- Went public – issue oversubscribed by nearly 24 times

1986-1995



1996-2005



- **Expansion of Product Portfolio**
- **Launched Dispocon** - Electro Hydro pneumatic plug assist Thermoformer,
- Launched internal bubble cooling system for blown film line
- Awarded export excellence from EEPC
- Secured ISO 9001 certification
- Government recognition as STAR EXPORT HOUSE
- Developed CE complaint high output sheet line and exported to Germany

- **Expansion Product Portfolio** - Asia's first CE compliant 7 layer fully automatic blown film line to Turkey
- Technical Collaboration with Commodore Inc. U.S.A. for XPS sheet line & Hosokawa Alpine, Germany for blown film line
- Received award for Vacuum forming machine with mould : 7086 XPS & Labex - Nano 3 Layer Co-extruded Blown Film Line from IPMMI – IMDIR
- Wonderpack merger for benefit of thermoforming industry
- JV with Bausano of Italy, Plastic pipe manufacturing industry

2006-2012



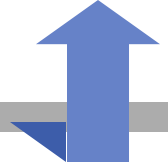
2013-2015



- Founder & Mentor Mr. C. N. Doshi awarded Life Time Achievement Award for his contribution to innovation by Elite Plus & Indian Plastics Institute
- Exported India's first ever twin screw PVC pipe plant
- Award received for Lamina – Nano 5 layer barrier sheet line from IPMMI-IMDIR
- Plasticon Silver Award received for world's smallest Labex - Three layer blown film lab line from Plast India Foundation
- **Expansion of Product Portfolio – MULTIFOIL Lite** – ABA blown film line, FLOWEX – PVC pipe plant and Wodoplex - WPC line with 70% sawdust processibility
- Displayed Asia's first and Rajoo's 21st five layer blown film line with elevated air ring at Plastindia 2015

- Manufactured India's biggest 3 layer blown film with Vertical spiral die
- **DISPOTILT** - Innovation of polymer processing machinery
- High technologically advanced 5 axis machines
- Launched Pentafoil Series with low energy consumption certified by TUV
- Woodplex received 7th National Award for Technology Innovation in Petrochemicals and Downstream Plastics Processing Industry by Government
- 5s - Japanese workplace management programme initiated
- First company in Asia to Receive DISR Certification for R&D centre (innovation room)
- High Impact Alliance between Rajoo Engineers and Kohli Industries to Change Market Dynamics of Extrusion Coating & Lamination Machines

2016-2019



Experienced Management Team



R. N. Doshi - Chairman & Managing Director

- Co-founder of Rajoo Engineers Limited
- More than 25 years of experience in plastic processing, machinery manufacturing, engineering and product innovation and development
- Responsible for R & D, business development and growth strategies



Sunil Jain – Director & President

- More than 30 years of experience
- Hold a Bachelor's degree in Mechanical Engineering from BITS (Pilani)
- Responsible for overall marketing, business development, diversification and growth strategies at the corporate level He has more than 30 years of experience in the flexible packaging industry and plastic extrusion machinery industry.



Khushboo Chandrakant Doshi – Whole Time Director

- Joined in 2007 as Head of Marketing and Communications
- An architect by education and holds Master's Degree in Industrial Product Design from UK and Masters in Management for Entrepreneurs from IIM, Ahmedabad and Family Businesses from IIM Bangalore
- Expertise in marketing, corporate branding, PR and Communication strategy



Utsav Doshi – Technical Director

- Joined in 2011 as an Engineer – Vender Development
- Holds a Bachelor's Degree in Mechanical Engineering with a Masters in Polymer technology from HTW Aalen University, Germany
- Functional expertise in Design and Operations and responsible for entire manufacturing activity at REL.



J. T. Zalawadia - Chief Financial Officer

- Joined in 2004 as Chief Financial Officer
- Strong control on financial stability and thorough administrative process knowledge play key role in exponential growth of Rajoo
- Overall financial management, critical function of human resources, efficient administration, Enterprise Resource Planning (ERP) are his focus areas



Manish Vasavada – Executive Vice President-Sales and Marketing

- Joined in 2008 as Vice President sales and Marketing
- 2 decades of experience in capital goods industry
- A qualified Mechanical Engineer, with unique advantage due to his exposure to different functions of manufacturing as well.
- Responsible for business development in Domestic market including Asian countries



Gaurang Mehta - Vice President – Operations

- Holds Bachelor's degree in Electronics, Master's Degree in TQM and Executive MBA in Operations Management
- Over 23 years of experience in Production, Project Management, Quality Management, Maintenance and Service industry
- sound knowledge and experience of best practices of lean manufacturing and operational excellence

Experienced Management

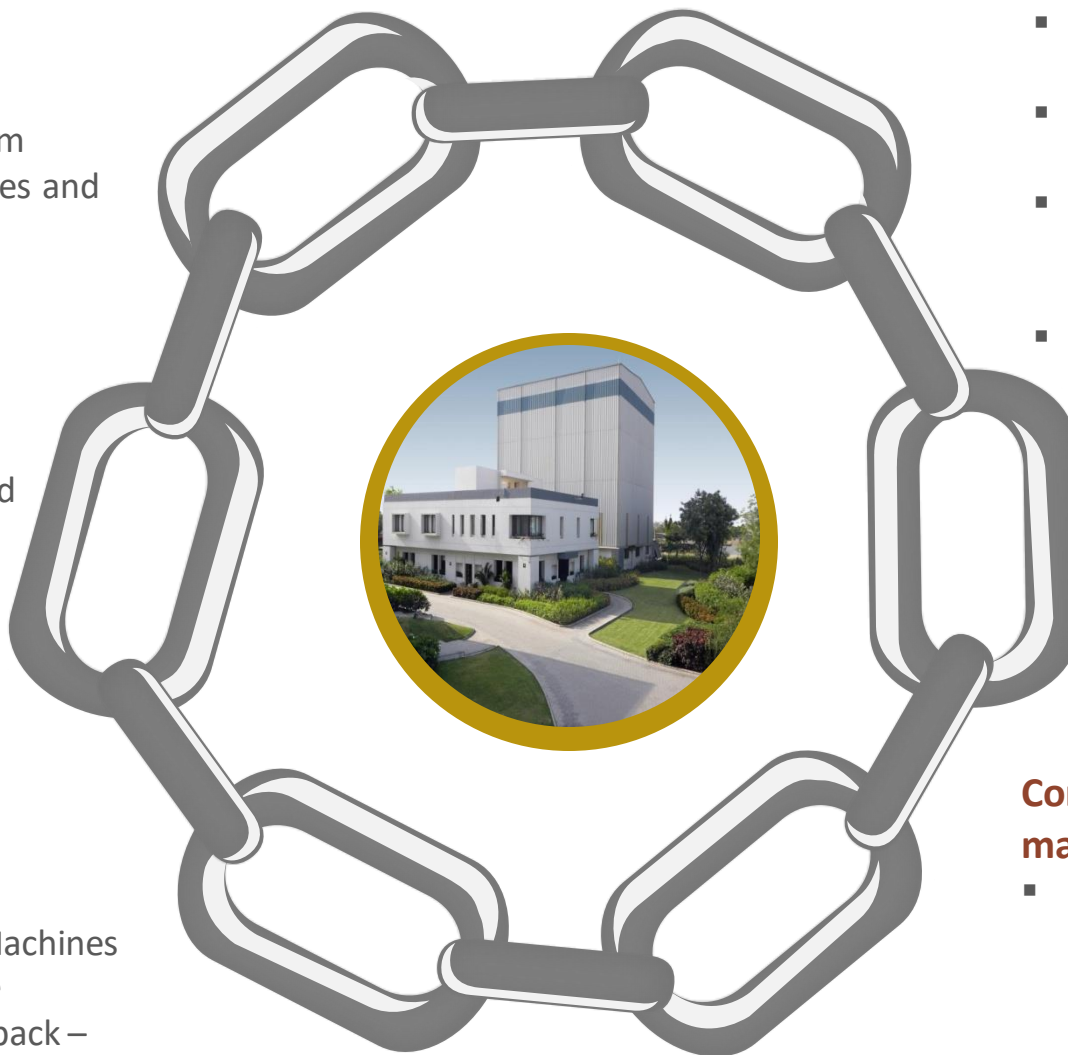
- Dynamic Experience leadership
- Significant experience in Blown Film Extrusion lines, sheet Extrusion lines and Thermoforming lines
- Dedicated, skilled employee base

Strong Customer Loyalty

- 60% of business, every year generated through repeat orders
- Key marquee customers like Uflex, Reliance Industries, Indian Oil, Binny Wads, Suvi International, synthetic Packaging, Abhinav Industries & S D International

Key Strategic Partnerships

- Bausano & Figli- Italy, MEAF Machines B.V.- Netherlands Commodore Technology LLC-USA, Wonderpack – Nashik(India)



World Class Integrated Facilities

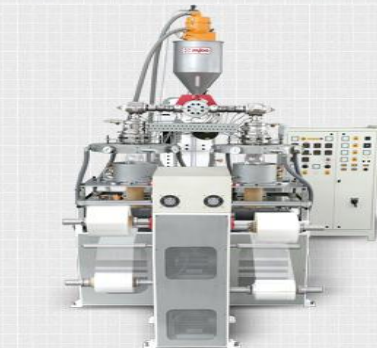
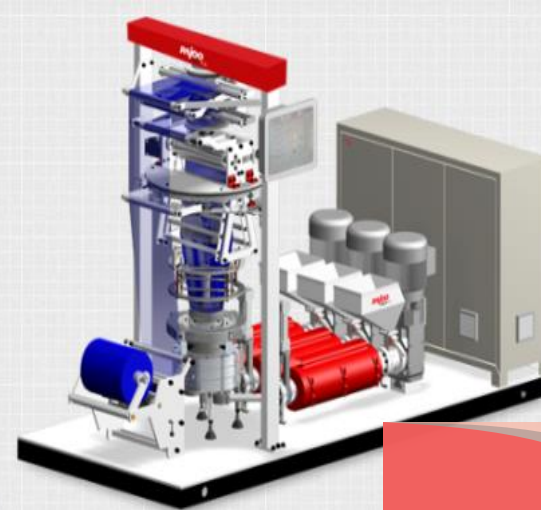
- Shree Yantralaya - Well Equipped dust free & fully Air conditioned tool room
- Shree Alekhalaya – 40+ Qualified Design Engineers
- In-house Modern Paint Shop, Shree Bhandaralaya – store room & Huge and Well-Equipped Assembly Shop
- Shree Vidhutalaya – In-house panel division

Strong Geographical Footprint

- Installations in 60 countries
- Latin America, Europe, North & South America, Gulf, East Africa, Northeast & West Africa, Southern Africa, Asia Pacific, Australasia and Eurasia

Complete product offering in extrusion machinery

- Knowledge, experience, technology assimilation and implementation are skills harboured by Company result in number of 'technology firsts' and ability to suit solutions to regional needs
- Only Company in India to offer most 'energy efficient' products



Business Overview

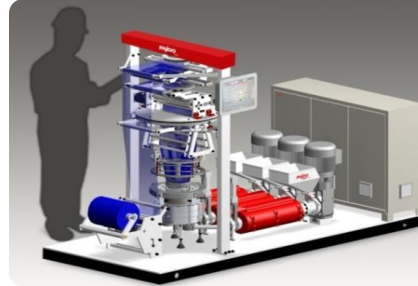
Strong & Diverse Product Portfolio...



FOILEX™ - Monolayer
Blown Film Lines



AQUAFLEX® - Downward
Extrusion Blown Film Lines



LABEX® - Lab Equipment



MULTIFOIL®
Multilayer Blown Film Lines



LAMiNA® - Mono & multilayer
sheet lines



WOODPLEX® - WPC Profile
& Board Line



FOMEX™ - PS/PE
Foam Extrusion Lines



DISPOCON® - Thermoforming
& PS Foam
Vacuum Forming Machines



FLOWEX® - Twin
Screw PVC Pipe Plant

...Catering to Wide array of Industry Sectors



Flexible Packaging



Agriculture



Infrastructure



Automobiles



Food & Beverages



Pharmaceutical



White Goods



Stationary & Printing

Shree Yantralaya – Tool Room

- The state-of-the-art tooling zone ensure higher accuracy level in all critical components

Shree Aalekhalaya – Design Department

- 40 Qualified Design Engineers

In-house Modern Paint Shop

- In-house modern paint shop facility is first of its kind in Asian industry
- Ensures long life of paint and improves machine aesthetics

Shree Bhandaralaya – Store Room

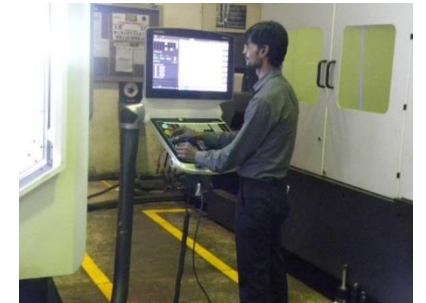
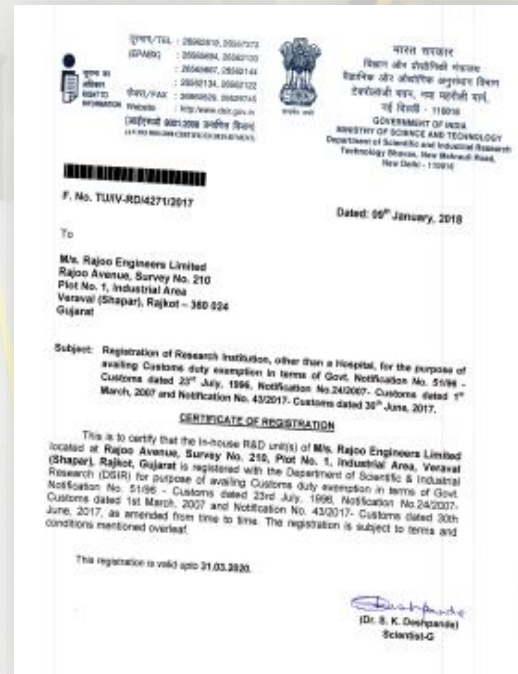
- Set up new store christened “Shri Bhandaralaya” with hi-tech facilities for proper storage and retrieval

Huge and Well-Equipped Assembly Shop

- 3 different assembly shops are partitioned to accommodate machines of different heights and lengths
- Highly skilled fitters, having experience of more than 25 years, assemble lines
- Machines are tested thoroughly and performance is checked according to customer's specifications before dispatch



- Set up R&D Center – ‘Rajoo Innovation Centre’
- First Company in Asia to start R&D Centre for customers – enabling customers to test run products, offering total and customized products
- Received approval from DSIR (Government of India)





Rajoo Meaf

- Technical collaboration with MEAF Machines B.V. of Netherlands, globally acclaimed Company in business of sheet extrusion with inline / offline thermoforming equipment and thermoforming machinery since 1947



Commodore LLC., USA

- Entered into technical collaboration with leading world player Commodore LLC., USA on 24th Oct 2007 with objective of being first Indian Company to introduce XPS foamed sheet line and Thermoformer in India



Bausano & Figli, Italy

- Entered into Joint Venture with Bausano & Figli, Italy for plastic pipe manufacturing industry in India gets fillip
- Collaboration bring indigenous raw material from Bausano & Figli to India - will then final shape at expansive infrastructure of Rajoo Bausano Extrusion Pvt. Ltd.



Wonderpack, India

- A unified approach for benefit of thermoforming industry



Kohli Industries, India

- Entered into High Impact Alliance with Kohli Industries to Change Market Dynamics of Extrusion Coating and Lamination Machines
- Collaboration brings best in class and proven web solutions needed to integrate to provide a system that would meet Industry's needs and be versatile enough to be adapted for future requirements

...Leading to suite of Marquee Customers
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RAJOO[®]
excellence in extrusion





- Successfully penetrated in Thailand, Vietnam, Sri Lanka, Pakistan and Iran in last fiscal year
- 50% of total revenues from exports (FY18)
- Supply to 60+ countries - Latin America, Europe, North & South America, Middle East, Asia Pacific and Africa



Way Ahead

Rajoo
Rajoo Engineers Limited

Expansion in Manufacturing facilities

- Invested in 30 acres of land in Rajkot to set up new manufacturing facility – work already underway
- Facility expected to commence production by 2020

Increase penetration in key markets

- Increase penetration in existing key markets of India, Latin America, Asia Pacific & Middle East



More integration – moving to complete In-house manufacturing

- Plans to set up in-house and better technologically equipped facilities for critical components (currently outsourced) like dye making, certain tooling

Increase in product offerings

- Add new products like extrusion coating, multistation Thermoformer
- Create and add more products that are automated and need lesser human handling

Thank You



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For further information, please contact:

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