



RAJRATAN

OUTPERFORM

INDIA | THAILAND

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RGWL/20-21/

21st October, 2020

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

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CIN No. L27106MP1988PLC004778



Rajratan Global Wire Limited

Investor presentation Second quarter 2020-21

Rajratan is
among Asia's
largest bead wire
manufacturers
(ex-China)

The Company
is the only
bead wire
manufacturer
in Thailand

Our vision, mission and values

Vision

To become the leading and most preferred bead wire manufacturer and supplier to tyre companies 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 as Rajratan Wires Pvt. Ltd. In 2004, the name was changed to Rajratan Global Wire Limited and it solidified its position as one of the largest bead wire manufacturers in Asia

Products

The Company is engaged in the production of bead wire and high-carbon steel wire

Customers

The Company enjoys long-term customer relationships; >85% of the revenues have been derived from customers associated with the Company for more than five years.

Manufacturing capacity

The Company possesses an aggregate manufacturing capacity of 106800 tonnes per annum (India and Thailand)

Promoter's holdings

Mr. Sunil Chordia and his family account for 64.53% of equity ownership in the Company

Locations

The Company has two manufacturing facilities – Pithampur (M.P.) in India and Ratchaburi in Thailand

Exports

The Company exports to customers all across the world including Italy, USA, The Czech Republic, South Korea, Malaysia, Indonesia, Philippines, Vietnam, Sri Lanka, UAE, and Bangladesh, among others

The big message: Rajratan posted its best-ever quarter in Q2 FY 21

Highest
tonnage sold

Highest
revenues

Highest EBIDTA
margin

Highest PAT

The background of the sectorial reality

- Sector shakeout
- One Indian bead wire manufacturer announced closure
- Another Indian competitor struggled to address customer needs

This record performance was creditable because...

- The Indian GDP de-grew by ~23.9% in the first quarter y-o-y, the first such contraction in more than 40 years
- Automobile offtake improved but was far below the retrospective averages
- The hesitant consumer sentiment continued into Q2
- The performance of most national sectors continued to be restrained

How Rajratan capitalised on the sectorial transition

- Impressed on customers its capacity to deliver any quantity of material – anytime
- Reinforced its capability to service growing customer needs with speed
- Provided products customised to demanding customer needs

How we addressed these challenges

- Ongoing interactions with key customers enhanced our understanding of emerging product needs
- Tracking all in-transit vehicles leading to timely product delivery
- Timely raw material availability through continuous vendor engagement
- Optimised production
- Training and sanitization of manufacturing facilities against COVID-19

How the ability to capitalize with speed translated into superior numbers

- Profitable growth: Profit growth sharper than revenue growth in percentage terms
- Margins growth: Increase in EBIDTA by 239 bps to a record 18.26% across any quarter
- Interest cover: Close to 7.0, which indicates adequate liquidity
- Realisations: Demonstrated pricing power; increased realisations

Challenges addressed during the quarter

There was a need to address increased customer demand (following lower imports and partial shutdown of competitors)

Import restrictions made it difficult to access raw materials like wire rods

Quarterly performance

Revenue
increased by
15%
over Q2 FY20

EBITDA
increased by
240 bps
over Q2 FY20

Profit after
tax increased by
40%
over Q2 FY20

Quarterly performance highlights (Consolidated)

Rs. In lakhs

Parameters	Q2FY21	Q2FY20	H1FY21*	H1FY20
Revenues	13902	12401	20367	25074
EBITDA	2539	1911	3386	3823
Depreciation	347	295	691	565
Interest	317	367	619	684
Profit before tax	1875	1249	2076	2574
Profit after tax	1354	968	1519	1952
Equity (Rs. 10 face value)	1015	1015	1015	1015

*In Q1FY21, Indian plant was shut for 40 days and Thai Plant was shut for 25 days on account of COVID-19 pandemic.

Analysis of the quarter's performance

Parameters	Q2FY21	Q2FY20	H1FY21	H1FY20
EBIDTA margin (%)	18.26	15.87	16.62	15.25
Net profit margin (%)	9.74	8.04	7.46	7.78
Interest cover (x)	6.91	4.40	4.35	4.76
Earnings per share (Rs)	13.34	9.54	14.97	19.23
ROCE*	27.35	20.77	16.81	20.94

*Annualised

Highlights during the second quarter FY21

Recorded the highest ever monthly sales in September 2020 and higher quarterly sales compared to Q2 FY20

Increased market share in India to ~50%

Enhanced capacity utilisation by commissioning a new coating line in FY20

Interest costs stable; rupee debt cost <8% and Thai business debt cost of <5%

Our prestigious marquee customers– India



Many more ...

Our prestigious marquee customers– India



Many more

Our prestigious marquee customers – International



- Sri Lanka • Vietnam • Malaysia • Italy • Indonesia • South Korea • Czech Republic

The big message of how we are attractively placed

Decline in competition

Increased demand for bead wire

Ability to pass on cost increases

Superior terms of trade

High operating leverage

What investors can expect in H2 FY21

Balancing equipment capex of Rs. 15 crore (India + Thailand)

Increase in output and revenues

Increased competitiveness

Stronger cash flows

What investors can expect over the foreseeable future

Credible growth plans by
leading tyre majors

Increased production to address
growing demand

Increased market share as a result of
enhanced capacities and increasing offerings

Full capacity utilisation by FY22
(Indian plant)

The Company is planning to digitalise various
manufacturing processes

Proposed expansion of Thai capacity to
60,000 TPA (2 years)

For more details please contact:

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Thank you