



RAJRATAN

OUTPERFORM

INDIA | THAILAND

RGWL/19-20/

30th July, 2019

**To,
Bombay Stock Exchange
Phiroze J.J. Tower
Dalal Street, Fort
MUMBAI – 400 001**

Sub: Investor Presentation

Scrip Code: 517522

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 LTD.**


SHUBHAM JAIN
COMPANY SECRETARY
Encl: as above



Investor
presentation
**First Quarter,
2019-20**

Outperform!

Rajratan Global Wire Limited

Introduction

Rajratan is among the largest bead wire manufacturers in Asia

The company's manufacturing operations are spread across two countries (India and Thailand)

The company's products are marketed in 14 countries

The company is the largest in India and the only bead wire manufacturer in Thailand

The Company is driven by a commitment to outperform (competition and its retrospective growth average)

Revenues
increased by
6.40%
over 3 months
FY19

Profit after tax
increased by
16.87%
over 3 months
FY19



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.



Background

The Company made an IPO of equity shares in 1995 and established itself as a prominent player in India and Thailand



Products

The Company is manufactures bead wire and high carbon steel wire



Manufacturing capacity

The Company possesses aggregate manufacturing capacity of 95,000 tonnes per annum



Locations

India: Located in Pithampur Industrial Area (Indore)

Thailand: Located in Ratchaburi (close to the port)



Exports

The Company services customers in Italy, USA, The Czech Republic, South Korea, Malaysia, Indonesia, Philippines, Vietnam, Sri Lanka, UAE, Pakistan and Bangladesh, among others

Our clients

Apollo Tyres Ltd. • Alliance Tyre • Birla Tyres Ltd. • Balakrishna Tyres Pvt. Ltd. •
Bridgestone India Pvt. Ltd. • CEAT Ltd. • CEAT Kelania • Continental India Pvt.
Ltd. • Casumina • CAMSO Loadstar, Sri Lanka • Camel Industries •
Deestone International • Everthrough, Malaysia • Goodyear India Pvt. Ltd. •
Global Rubber, Sri Lanka • Hindustan Tyres • Izumi Tyres, Philippines •
JK Tyre & Industries Ltd. • Leo Tyres, Philippines • MRF Limited •
Mahadeo Industries Pvt. Ltd. • ORION Ropes Pvt. Ltd. • Otani Radials, Thailand
• Poddar Tyres • Remson Industries Ltd. • Suprajit Engineering Ltd. •
Sumitomo, Thailand • TVS Srichakra Pvt. Ltd. • Trelleborg Wheel & Systems •
Vikrant Ropes Pvt. Ltd. • Vee Rubber • Yokohama, Thailand

Performance highlights

Q1, FY 2019-20

Recorded the highest quarterly bead wire sale

Reduced working capital costs in Thailand

Achieved the highest share in the auto segment (Indian plant 42%)

Started product approval process for Toyo Tyres Corporation (Japan) and Silverstone (Malaysia)

Acquired new Thai and Chinese customers (Thailand)

Quarterly numbers

(Rs. crore)

Parameters	Q1FY20	Q1FY19	FY18	FY19
Revenues	130.32	122.77	348.77	492.88
EBITDA	19.12	15.85	38.22	54.10
Depreciation	2.70	2.13	7.74	9.19
Interest	3.17	3.13	8.67	10.81
Profit before tax	13.25	10.59	23.47	34.10
Profit after tax	9.84	8.42	17.12	26.71
Equity (Rs 10 face value)	4.35	4.35	4.35	4.35

Analysis of the quarter

Parameters	Q1FY20	Q1FY19	FY18	FY19
EBIDTA margin (%)	14.67	12.91	10.96	10.98
Net profit margin (%)	7.55	6.87	4.91	5.42
Interest cover (x)	5.18	4.38	3.52	4.15
Earnings per share (Rs)	22.63	19.37	39.36	61.38
ROCE*	22.74	25.32	15.91	18.78

* Annualised

Sectoral developments

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1. Company manufactures bead wire and high carbon steel wire

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2. Radialisation growth in bus and truck segments, strengthening bead wire offtake

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3. Decline in Chinese imports by 79% in 2018, strengthening domestic offtake

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Challenges addressed in **Q1**, 2019-20

01

Balancing expansion programme and normal operations

02

Acquiring BIS approval for the Thailand plant (to restart supplies to India)

03

Addressing growing customer demands; ensuring timely delivery

04

Countering power disruptions (in India and Thailand)

How we intend to **strengthen** performance

01

The Company expects to complete the expansion in Q2 2019-20

02

The enhanced capacity and BIS approval of the Rajratan plant will enhance offtake

03

The collaboration with power companies is expected to reduce outages

04

The Company intends to add more customers

Our strengths



Experience

Engaged in the manufacturing of bead wire and high carbon steel wire for over two decades



Promoter's holding

Mr. Sunil Chordia and family members account for 63.5% of the company's equity



Technological competence

The Company received a certification of recognition for R&D from the Department of Scientific and Industrial Research (DSIR)



Customer-retention

85% revenues were derived from customers working with the Company for more than 5 years



Market position

The Company is the second largest bead wire manufacturer in Asia



Plant approvals

Both plants (India and Thailand) were approved and audited by major international tyre manufacturing companies



Geographical presence

The Company's manufacturing facilities are present in India (fastest growing economy) and Thailand (global tyre manufacturing hub)



The **messages** we wish to communicate

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1. The Company is attractively placed to address growing demand following capacity expansion

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2. The Company expects to commission full capacity expansion in Q2 2019-20

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3. The Company is attractively positioned to increase global market share



Thank you
