



RGWL/22-23/

22<sup>nd</sup> July, 2022

<b>To</b> <b>BSE Limited</b> <b>Phiroze Jeejeebhoy Towers</b> <b>Dalal Street</b> <b>Mumbai 400001</b> <b>Scrip Code – 517522</b>	<b>To</b> <b>National Stock Exchange of India Limited</b> <b>‘Exchange Plaza’, C-1, Block G,</b> <b>Bandra Kurla Complex,</b> <b>Bandra (E), Mumbai – 400 051</b> <b>Symbol - RAJRATAN</b>
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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

**Rethinking  
Strategies.**



**INVESTOR  
PRESENTATION**

**FY Q1 - 2022 - 23**

**Accelerating  
Sustainable Growth.**

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This is a visual representation of the proposed Chennai Plant

# EXECUTIVE SUMMARY



## Consolidated Financials (Q1 FY 23)

Operating revenue grew by **38%** to ₹ **25,143 Lakhs** YoY

EBITDA grew by **46%** to ₹ **5,271 Lakhs** and EBITDA margin grew by **120 bps**

Profit before tax grew by **59%** to ₹ **4,571 Lakhs** YoY

Profit after tax grew by **58%** to ₹ **3,454 Lakhs** and PAT margin grew by **172 bps**



## Strategic

Both plants are operating at high capacity utilisation (85-90%). Teams are constantly working to improve plant efficiencies and optimise material consumption to increase overall competitiveness of the product.

Inspite of external factors driving commodity prices, company has been able to maintain EBITDA margin of around 20% led by operating leverage, productivity and internal efficiencies.

# OUR BUSINESS HIGHLIGHTS



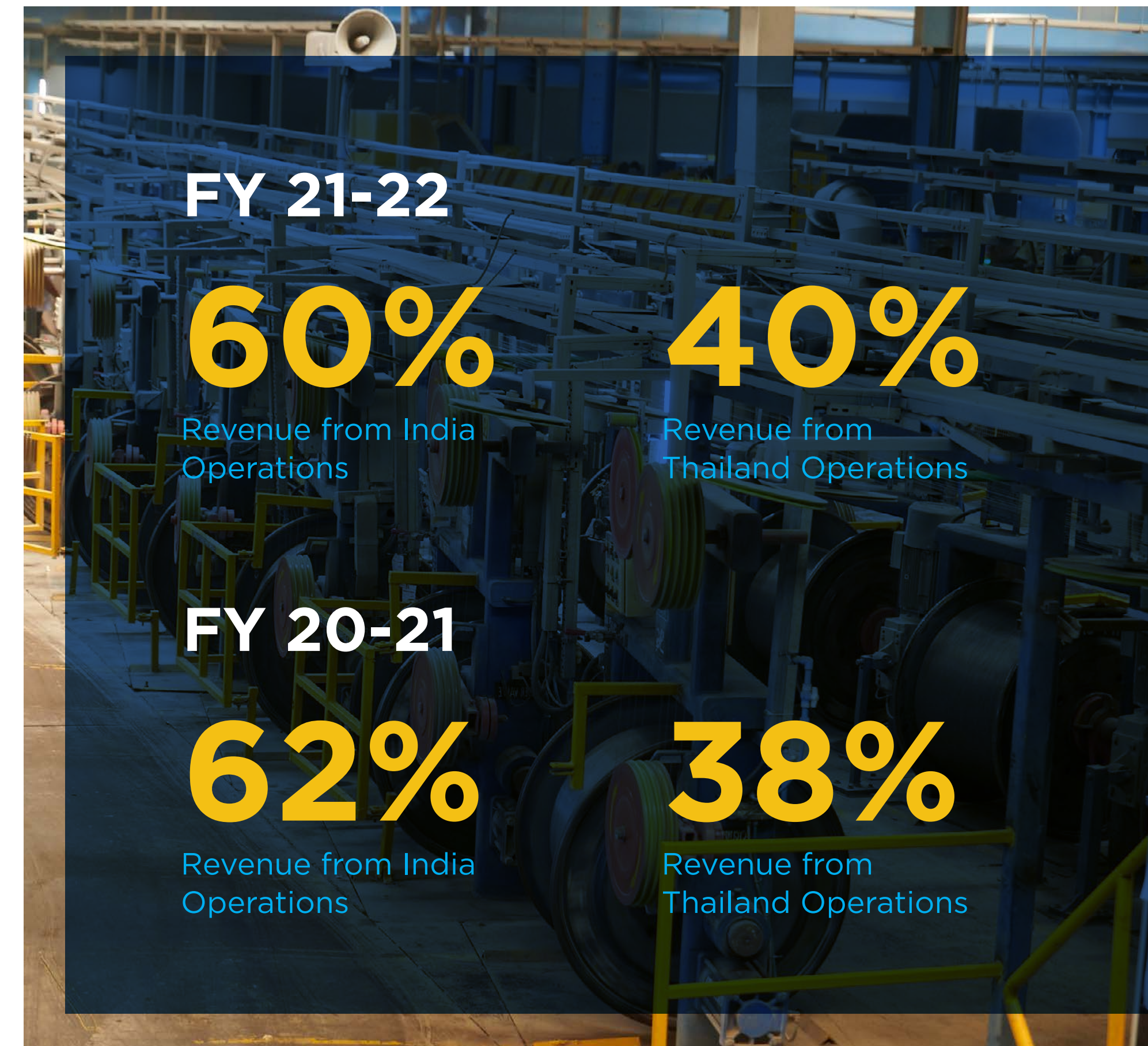
## Rajratan India

- The average capacity utilization levels stood at **85%**
- Digitalization of manufacturing process with the introduction of **MDL (machine data logger)** implemented across all production departments
- **Zero liquid discharge** facility fully installed and operational at India manufacturing unit
- New patenting furnace installed for **2,500 MT**, now operational thereby debottlenecking for incremental capacity utilization
- Improved our on-time dispatch rate to **92%**
- Customer Complaints continued to be at record low levels of **0.16 per 1,000** coils (0.016%)



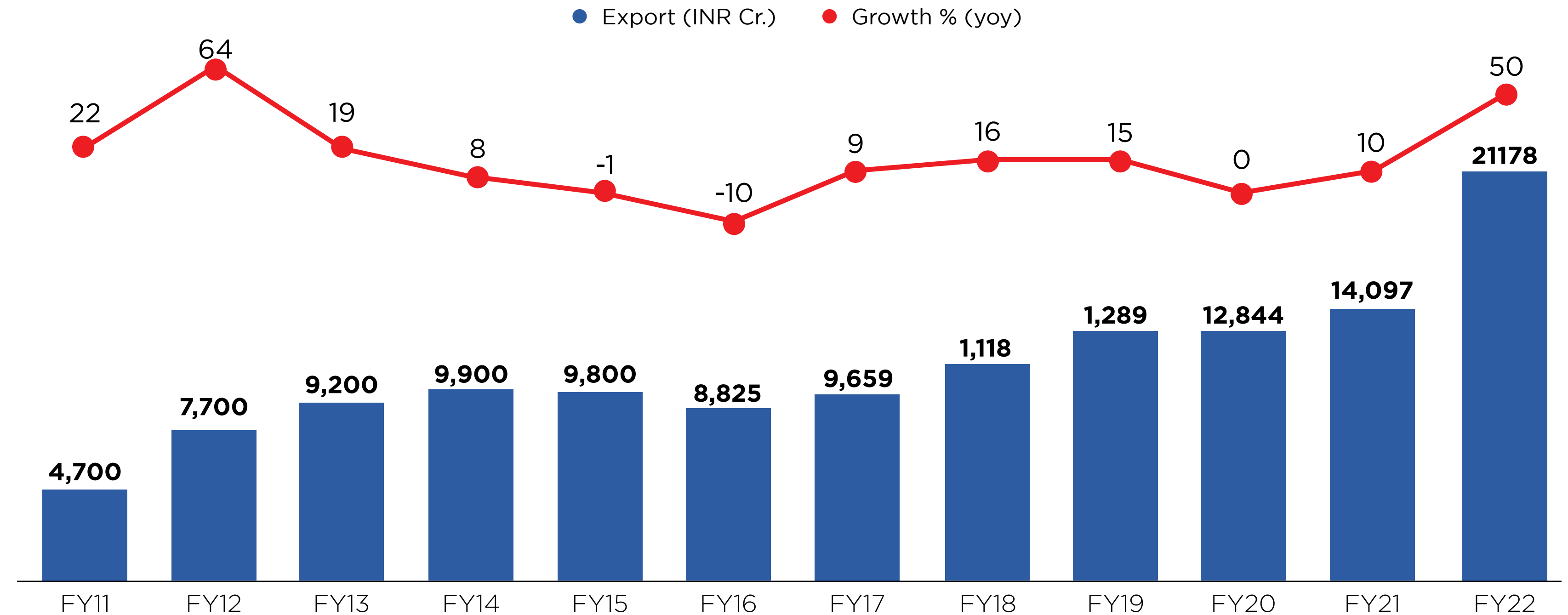
## Rajratan Thailand

- The average capacity utilization levels stood at **88% (at capacity of 40,000 TPA)**
- Improved our on-time dispatch rate to **94%**
- Customer Complaints continued to be at record low levels of **0.32** per 1000 coils (0.032%)
- Capacity Expansion to **60,000 TPA** under finalisation - awaiting final approval of EIA audit.



# SECTORAL UPDATE (TYRE INDUSTRY)

- Indian tyre industry surpassed ₹ 21,000 crore in exports in FY22
- From 14% in FY11, exports share doubled to 28% of the overall revenue over the past 12 years
- According to ICRA, the proposed capex by companies is estimated at ₹ 20,000 crore over the next 3 - 5 years for capacity additions
- As supply chain constraints cool off, domestic demand for OEM tyres (other than replacement demand) expected to rise
- With increasing acceptance of Indian tyre in the overseas markets, the capacity utilisation of tyre manufacturing companies have reached 85-87% in FY22



Source: The Economic Times

# CAPACITY EXPANSION UPDATE



## Rajratan India (Chennai)

- All necessary sanctions / approvals have been received from Govt. of Tamil Nadu as per targeted schedule
- 1st milestone of construction work completed as per schedule with 99% adherence to schedule
- Had foundation stone laying ceremony by Hon'ble C.M. of Tamil Nadu on 4th July 2022
- Finalized electrical work, design & build order for the next stage of construction activities



## Rajratan Thailand

- EIA audit completed with approval expected to be received by September 2022
- All major equipment/machines have arrived at site, with installation work in progress
- There has been slight delay in overall expansion due to availability issues of specific electrical components, the project is expected to begin commercial production by Q2 FY23.

# FINANCIAL OVERVIEW (CONSOLIDATED)



(₹ in Lacs)

Particulars	Q1 FY23	Q4 FY22	Q1 FY 22	Y-o-Y (%)
Sales Volume - India (Tonnes)	14,623	14,705	12,392	-
Sales Volume - Thailand (Tonnes)	8,518	10,025	7,653	-
Sales Volume - total (Tonnes)	23,141	24,730	20,045	-
Revenue	25,143	24,757	18,229	37.93
EBITDA	5,271	4,755	3,602	46.34
Other Income	141	72	9	-
Depreciation	428	399	370	15.68
Interest	413	403	366	12.84
Profit before tax	4,571	4,025	2,875	58.99
Profit after tax	3,454	3,703	2,192	57.57
Equity Capital (₹ 2 face value)	1,015	1,015	1,015	-
Earning per share (₹)	6.80	7.29	4.32	-
EBIDTA margin (%)	20.96%	19.21%	19.76%	120 bps
PBT margin (%)	18.18%	16.26%	15.77%	241 bps
PAT margin (%)	13.74%	14.96%	12.02%	171 bps

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



# MANAGING CHALLENGES PRUDENTLY



## Challenges

Increase in prices of raw material both in India and Thailand

Increase in cost of other inputs (power, gas, transport and others)

Slowdown in demand in Thailand as few customers are facing challenges to export tyre to US and Europe

Import of raw material from India for our Thailand operations has become difficult due to export tax on steel by GOI



## Mitigation

The Company has strategically worked to maintain optimum inventory levels. As a hedge, the Company is increasing the domestic sourcing vis-à-vis imports. The recent export duty on steel introduced by the government will help optimise the prices of steel further.

The latest patenting line installed will help to debottleneck the capacity. Increased volume will help us to improve efficiency and optimize conversion and fixed cost due to volume leverage.

The Company continues to explore new market opportunities in Europe and South East Asia

The Company has identified alternate suppliers locally in Thailand and has started buying larger quantities from them



## Rajratan India

- Efforts are being put to further improving the plant efficiency beyond 94%
- The newly installed patenting line gives us an opportunity to further increase our volume.
- In the TPM project many efforts have been taken to further reduce scrap and chemical usage. In one of the project the team has successfully reduced water consumption substantially
- Additional efforts are being put to reduce raw material inventory level and manage availability in close coordination with the supplier
- New greenfield manufacturing facility at Chennai being set up for 60,000 TPA.



## Rajratan Thailand

- Bigger quantities of raw material are being sourced locally in order to reduce inventory level
- Focus is more on selling in the domestic markets of the region in order to reduce the risk of high logistic cost of export
- We are actively engaging with export customers to find out ways to increase 'weight per container' in order to reduce the impact of high logistics cost.
- Lower domestic steel demand in China due to frequent COVID imposed lockdowns will help to stabilize the prices of Raw Material in Thailand.

# ABOUT RAJRATAN

One of the world's leading and trusted bead wire manufacturers, Rajratan Global Wire Ltd (Rajratan) supplies bead wire to marquee and discerning customers across geographies. Commencing its journey in early 1990s, Rajratan today enjoys approximately 45% market share in India and 24% market share in Thailand, with growing exports to other parts of the world.

The Company has capacity of 72,000 TPA (60,000 TPA Bead Wire) in India and 40,000 TPA in Thailand. Thailand Capacity is being enhanced to 60,000 TPA while the company is setting up a new greenfield unit in Chennai for additional 60,000 TPA.

# Largest

Bead wire manufacturing line  
in the world at Pithampur plant

# #1

Ranked in India's bead wire industry  
**65%** Promoter Shareholding  
as on 30<sup>th</sup> June, 2022

# Only

Manufacturer of bead wire in Thailand

# Growing

Market share of bead wire industry  
in Thailand and India

# 60%

Revenue share from India operations in  
FY 21-22

# 40%

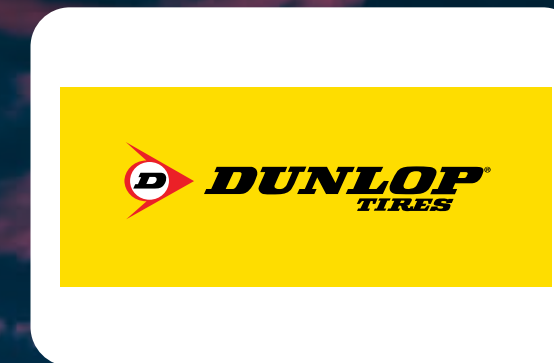
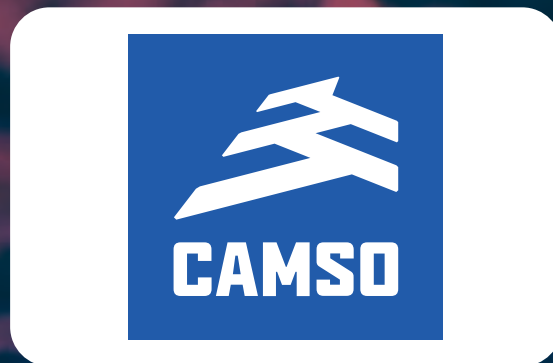
Revenue share from Thailand  
operations in FY 21-22

# ₹ 3,612 Crores\*

Market capitalisation as on  
June 30, 2022 (₹ in Crores)

(Source BSE Website)

# OUR CUSTOMERS



# SAFE HARBOUR

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# THANK YOU

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