



RGWL/22-23/

21<sup>st</sup> April, 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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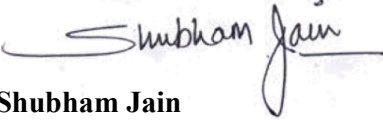
**Sub: Investor Presentation**

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

# Outperform!

Rajratan Global Wire Limited

Investor presentation

Fourth quarter

2021-22





# Rajratan Global Wire at a glance

Rajratan is among one of the largest bead wire manufacturers in Asia (ex-China)

Rajratan is the largest bead wire manufacturer in India

Rajratan is the only bead wire manufacturer in Thailand

Rajratan is a dependable bead wire partner for prominent tyre companies in Asia

# Our vision, mission and values

## Vision

To become the leading and most preferred bead wire manufacturer and supplier to tyre companies in India and 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 under the name of Rajratan Wires Pvt. Ltd. The name of the Company was changed to Rajratan Gutsav Wolf Ltd. in the year 1996 and was then changed to Rajratan Global Wire Limited in 2004.

## Products

The Company has been engaged in the manufacturing of bead wire and high carbon steel wires for over 25 years.

## Customers

The Company enjoys long-term relationships of five years or more with over 83% customers associated with the Company.

## Manufacturing capacity

The Company possesses an aggregate wire manufacturing capacity of 112,000 tonnes per annum (India (72,000 TPA) and Thailand (40,000 TPA)).

## Promoter's holding

Mr. Sunil Chordia and his family hold 65% equity in the Company.

## Locations

The Company has two manufacturing facilities at Pithampur (Madhya Pradesh) in India and Ratchaburi in Thailand.

## Exports

The Company exports products to customers in India (from Thailand), USA, Malaysia, Indonesia, Philippines, Vietnam, Srilanka and Finland among others.

## Our prestigious marquee customers – India



## Our prestigious marquee customers – Thailand



## Our prestigious marquee customers – International



Sri Lanka • Vietnam • Malaysia • Italy • Indonesia • Czech Republic



# Sectorial environment

## Overview

The Indian tyre industry grew 13-15% by volume and 16-20% by revenues in FY 2021-22. (Source: ICRA).

The sector reported a 12-15% increase in realisations during the financial year 2021-22 (pass-through of raw material costs)

The improved industry revenues were driven by exports and replacement growth, collectively driven by an increasing need for personal mobility.

Replacement volumes surged as economic activity rebounded following multiple lockdowns over the last two years. Sale of electric two-wheelers surged while component supply constraints affected passenger vehicle production.

## Outlook

The Indian tyre industry is expected to grow 7-9% by volume between FY 2022 and 2025.

Sharp rise in raw material costs are being passed on.

Bead wire demand growth is likely to continue, led by replacement market, exports and timely capacity expansion.

*(Source: ICRA, Livemint, Economic Times, Company)*

# Sectorial environment (Continued)

**13-15%**

Estimated volume growth of Indian tyre industry, 2021-22

**7-9%**

Expected volume growth of Indian tyre industry, 2022-25

**16-20%**

Estimated revenue growth of Indian tyre industry, 2021-22

*(Source: Economic Times)*



# Company's performance, Q4, FY 2021-22

## Initiatives

- The Company engaged in periodic interactions with raw material suppliers
- The company continued to engage in cost-efficient procurement
- There was an improvement in resource quality that translated into superior end product
- The Company utilised 100% of its patenting line capacity with around 97% efficiency, a sharp improvement



## Performance improvement

A 27% growth in the Company's volume resulted in lower conversion cost (better amortization of fixed costs)

Rajratan Thailand benefitted from income tax exemption on sales above 20,972 MT

# Rajratan's consolidated highlights, Q4, FY 2021-22

Highest  
consolidated  
quarterly  
production

Highest  
consolidated  
quarterly sales  
volume

Highest  
consolidated  
quarterly  
revenue, EBITDA  
and PAT

# Rajratan's comparative consolidated performance

Rs. In lakhs

Parameters	Q4 FY22	Q3 FY22	Q4 FY21	YoY (%)	FY22	FY21	YoY (%)
Sales Volume - India	14075	13633	12753	-	54785	42021	30.38
Sales Volume - Thailand	10025	8132	8646	-	35280	29045	21.47
Sales Volume - Total	24100	21765	21399	-	90065	71066	26.73
Revenue	24757	22,183	18365	34.81	89,286	54,654	63.37
EBITDA	4755	4734	3242	46.67	18159	9211	97.14
Other Income	72	52	59	-	200	163	-
Depreciation	399	396	360	10.83	1,552	1,410	10.07
Interest	403	387	384	4.95	1,543	1,339	15.24
Profit before tax	4025	4003	2557	57.41	15,264	6,625	130.40
Profit after tax	3703	3277	2321	59.54	12,433	5,313	134.01
Equity capital (Rs.2 face value)	1015	1015	1015	-	1015	1015	-
Earnings per share (Rs.)	7.29	6.45	4.57	-	24.49	10.46	134.01
EBITDA margin (%)	19.21	21.34	17.65	-	20.34	16.85	349 bps
PBT margin (%)	16.26	18.05	13.92	-	17.10	12.12	498 bps
PAT margin (%)	14.96	14.77	12.64	-	13.92	9.72	420 bps

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



## Key ratios (consolidated)

Parameters	FY22	FY21
Interest cover (x)	9.56	5.95
RoE (%)	36.91	23.89
RoCE (%)	38.13	22.65
Debt equity ratio (x)	0.41	0.64
Debtors (days)	61	67
Creditors (days)	79	53
Inventory (days)	45	50
Working capital (days)	27	64

# Prominent corporate developments, Q4 FY 2021-22

## Rajratan Thailand

Construction of the new warehouse was completed (storage capacity 5,000 MT)

Capacity expansion will complete in Q1 FY22-23

The Company received approvals from following customers for its Thailand plant:

*Yokohama, Thailand*  
*Prinx Tyre, Thailand*  
*GRI Tyre, Thailand*  
*Nokian, Finland*

## Rajratan India

### Rajratan Pithampur

One set of dust collector was installed; two more ordered.

Base level digitalisation was completed across a few sections

### Rajratan Chennai

Land development and civil work was initiated on 15<sup>th</sup> April 2022

Trial production likely to commence before the end of FY 2022-23

# Challenges and counter-initiatives, 2021-22

**Raw material shortage:** A crunch in raw material availability and consequently high prices affected procurement economies.



**Mitigation:** The Company responded with a larger procurement from domestic suppliers, resulting in a shorter logistics cycle and better working capital management. The Company engaged in advanced planning for critical grades of raw materials, ensuring timely material availability and superior capacity utilization.

**COVID resurgence:** Thailand encountered a spike in COVID-19 cases.



**Mitigation:** : The Company ensured timely disinfection, distribution of sanitisers and immunity boosting medicines. There was no major effect on productivity. However, there was a slight delay in the completion of EIA Audit.



# Groundbreaking ceremony, Rajratan Chennai



Note : This is a visual representation



# Outlook, FY 2022-23

## Rajratan Thailand

The Company anticipates to widen its national and global footprint.

This is likely to be initiated following capacity expansion in the Thailand plant.

The Company plans to enhance wallet share with high margin customers.

The expansion to 60,000 TPA is expected to become effective in Q2, FY 2022-23.

## Rajratan India

The Company will continue to debottleneck its patenting line manufacturing capacity (to be completed in the first quarter of FY 2022-23).

The first construction phase of the Chennai plant is likely to be completed by the end of FY 2022-23.

For more details please contact:

## Rajratan Global Wire Ltd

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Company Secretary

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Thank you