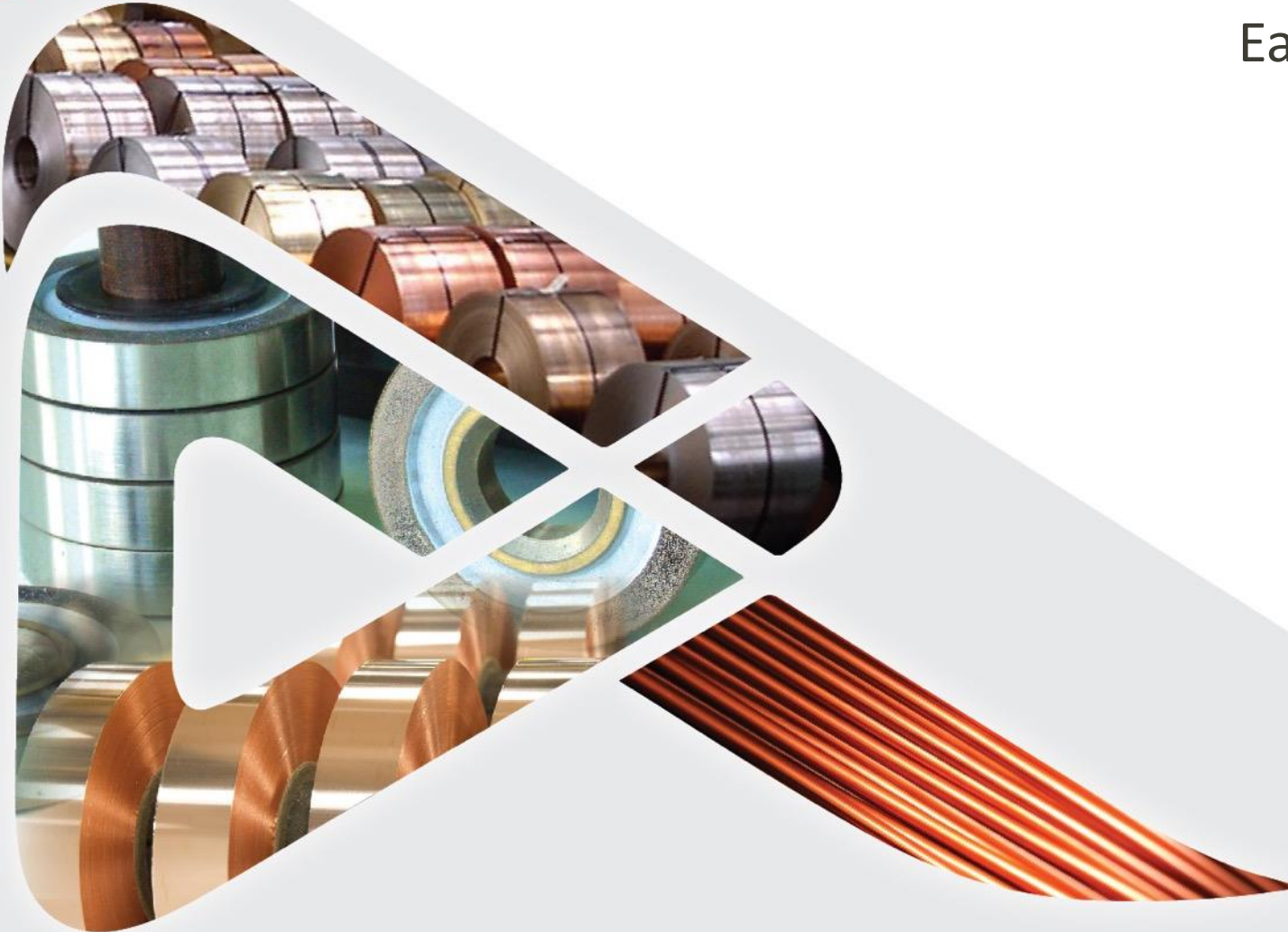


# RCI Industries & Technologies Limited

## Earnings Presentation

9M / Q3 - FY19



## Overview

- RCI Industries & Technologies Ltd. (RCI) was incorporated in 1992 by Mr. Rajeev Gupta and is one of the leading manufacturers of diversified flat and round products in copper, brass and also in stainless steel and special alloys.
- The company is headquartered out of New Delhi with manufacturing plants located in Himachal Pradesh with 24,000 MTPA capacity for Round products in Nalagarh and 6,000 MTPA for Flat Products in Baddi as on March 2018 which will go to 24,000 MTPA by September 2019.
- The Company is listed on BSE and has a market capitalization of INR 1,183.70 Mn as of 31<sup>st</sup> December 2018.

## Business Mix

- **Flat Products** – Copper, Brass, Aluminum, stainless steel-sheets, strips, foils and coils, Tin alloy solder – bars/sheets/strips etc.
- **Round Products** – Annealed/un-annealed copper wires, bunched copper wires, also launching cables in the brand name of RIKAYAA
- **Other Businesses** – Trading of Ferrous & non-ferrous metals such as Copper rods, Ingots, scrap, Zinc and other related items as the same is raw material for the manufacturing divisions.

## Some Marquee Clients

- Havells
- Technocraft Industries
- Finolex
- KDDL Ltd.
- Quality Industries

## FY18 Consolidated Financial Highlights

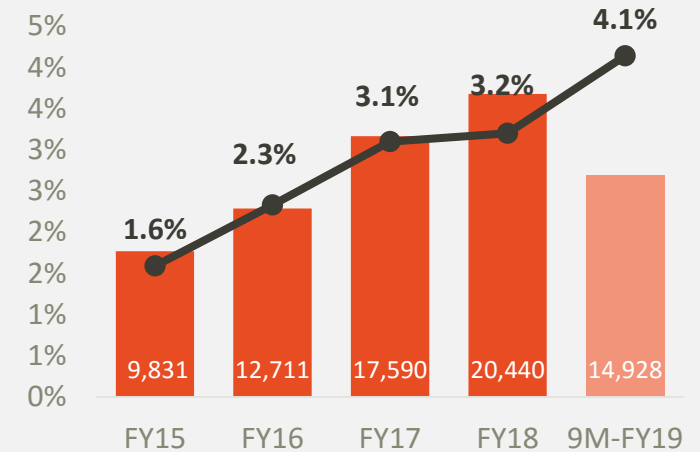
- **Total Income** - INR 20,440 Mn
- **EBITDA** - INR 645 Mn; **EBITDA Margins** - 3.1%
- **PAT** - INR 328 Mn; **PAT Margins** - 1.6%
- **ROCE** – 19.6%
- **ROE** – 14.3%

# COMPANY OVERVIEW

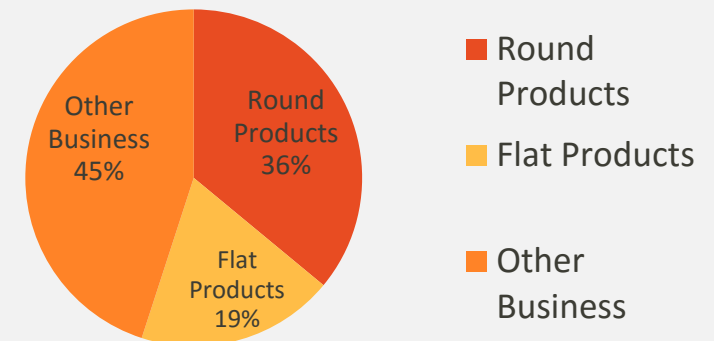
# Company Overview

- RCI Industries & Technologies Ltd. (RCI) is the only company to manufacture both round and flat products in India and having the most diversified customer portfolio both in domestic and overseas with 200+ customer base.
- Moving away from only trading of copper by merging its manufacturing set-up of round products in the name of Satya metals, a partnership firm with an existing capacity of 24,000 MTPA in 2014.
- In 2016, company ventured into the manufacturing of flat products such as copper sheets, strips, alloys with a manufacturing capacity of 2,400 MTPA and further integrated their business.
- The company also has plans to start manufacturing aluminium sheets and Unique tape in the near future.
- After expansion, RCI will be the only company to manufacture such a wide range of products which includes Copper, Copper Alloys including critical alloys such as Nickel, Brass, Phosphor bronze, Aluminium bronze and many more, stainless steel foils, MS foils and Aluminium foils in flat products sector and Copper wires, bunched copper wire, annealed/un-annealed copper wire, cables in round product sector.
- RCI is also exploring opportunities to expand its global reach through exports, as well as enter into B2C cable wire business with its own brand as well as enter new avenues specially for the defence and mint category sectors.

Revenue (INR Mn) & EBITDA Margins (%)



9M-FY19 Segment Wise Revenue Break Up



# **FINANCIAL OVERVIEW**

## **9M / Q3 - FY19**

## Financial Highlights:

### •Q3-FY19 Financial Performance (Standalone):

- Total Income:** INR 4,192 Mn
- EBITDA:** INR 154 Mn
- EBITDA Margin:** 3.67 %
- Net Profit:** INR 54 Mn
- PAT Margin:** 1.29 %
- Diluted EPS (INR):** INR 3.42 per share

### •Q3-FY19 Financial Performance (Consolidated):

- Total Income:** INR 5,420 Mn
- EBITDA:** INR 233 Mn
- EBITDA Margin:** 4.30 %
- Net Profit:** INR 133 Mn
- PAT Margin:** 2.45 %
- Diluted EPS (INR):** INR 8.46 per share

### •9M-FY19 Financial Performance (Standalone):

- Total Income:** INR 12,680 Mn
- EBITDA:** INR 454 Mn
- EBITDA Margin:** 3.58 %
- Net Profit:** INR 142 Mn
- PAT Margin:** 1.12 %
- Diluted EPS (INR):** INR 9.07 per share

### •9M-FY19 Financial Performance (Consolidated):

- Total Income:** INR 14,928 Mn
- EBITDA:** INR 618 Mn
- EBITDA Margin:** 4.14 %
- Net Profit:** INR 307 Mn
- PAT Margin:** 2.06 %
- Diluted EPS (INR):** INR 19.59 per share

## Operational Highlights:

- During this quarter, the company has been focused on its expansion plan to increase the capacity of Baddi plant in a phased manner without disturbing the production, to increase its profitability by shifting focus from trading to manufacturing.
- Company has supplied the material for 231MT floated by “The ordnance factory, Katani”. Further, company is expected to get further order of 90MT on the basis of its performance in past tender. Apart from this, a tender of 400MT is in process. Further, we are quite hopeful to get repeated orders in future also.
- The company has already applied for Mint industry for which evaluation process is going on.
- Company has spent around INR 44 Crs till Dec-18.
- In future, the company is enhancing its product range in more value added products and is manufacturing items with different specifications as per the requirement of customers including special alloys. Also, company is targeting government sectors to secure the bulk orders apart from running orders from the existing/new customers.

# Q3-FY19 Standalone Income Statement (IND-AS)



PARTICULARS (INR Mn)	Q3-FY19	Q3-FY18	Y-o-Y	Q2-FY19	Q-o-Q
<b>Total Revenue*</b>	<b>4,192</b>	<b>4,706</b>	<b>(10.9)%</b>	<b>4,606</b>	<b>(9.0)%</b>
Total Expenses	4,038	4,573	(11.7)%	4,446	(9.2)%
<b>EBITDA</b>	<b>154</b>	<b>133</b>	<b>15.8%</b>	<b>160</b>	<b>(3.8)%</b>
<b>EBITDA Margins (%)</b>	<b>3.67%</b>	<b>2.83%</b>	<b>84 Bps</b>	<b>3.47%</b>	<b>20 Bps</b>
Depreciation	26	10	160.0%	29	(10.3)%
Finance Cost	60	56	7.1%	54	11.1%
<b>PBT</b>	<b>68</b>	<b>67</b>	<b>1.5%</b>	<b>77</b>	<b>(11.7)%</b>
Tax	14	12	16.7%	30	(53.3)%
<b>PAT</b>	<b>54</b>	<b>55</b>	<b>(1.8)%</b>	<b>47</b>	<b>14.9%</b>
<b>PAT Margins (%)</b>	<b>1.29%</b>	<b>1.17%</b>	<b>12 Bps</b>	<b>1.02%</b>	<b>27 Bps</b>
Other Comprehensive Income	-	-	NA	1	NA
<b>Total Comprehensive Income</b>	<b>54</b>	<b>55</b>	<b>(1.8)%</b>	<b>48</b>	<b>12.5%</b>
Diluted EPS (INR) (not annualised)	3.42	4.12	(17.0)%	3.03	12.9%

\*Includes Other Income



# 9M-FY19 Standalone Income Statement (IND-AS)

PARTICULARS (INR Mn)	9M-FY19	9M-FY18	Y-o-Y
<b>Total Revenue*</b>	<b>12,680</b>	<b>12,903</b>	<b>(1.7)%</b>
Total Expenses	12,226	12,571	(2.7)%
<b>EBITDA</b>	<b>454</b>	<b>332</b>	<b>36.7%</b>
<b><i>EBITDA Margins (%)</i></b>	<b>3.58%</b>	<b>2.57%</b>	<b>101 Bps</b>
Depreciation	83	34	144.1%
Finance Cost	166	126	31.7%
<b>PBT</b>	<b>205</b>	<b>172</b>	<b>19.2%</b>
Tax	63	34	85.3%
<b>PAT</b>	<b>142</b>	<b>138</b>	<b>2.9%</b>
<b><i>PAT Margins (%)</i></b>	<b>1.12%</b>	<b>1.07%</b>	<b>5 Bps</b>
Other Comprehensive Income	-	-	NA
<b>Total Comprehensive Income</b>	<b>142</b>	<b>138</b>	<b>2.9%</b>
Diluted EPS (INR) (not annualised)	9.07	10.29	(11.9)%

\*Includes Other Income

# Q3-FY19 Consolidated Income Statement (IND-AS)

PARTICULARS (INR Mn)	Q3-FY19	Q3-FY18	Y-o-Y	Q2-FY19	Q-o-Q
<b>Total Revenue*</b>	<b>5,420</b>	<b>5,407</b>	<b>0.2%</b>	<b>5,559</b>	<b>(2.5)%</b>
Total Expenses	5,187	5,232	(0.9)%	5,317	(2.4)%
<b>EBITDA</b>	<b>233</b>	<b>175</b>	<b>33.1%</b>	<b>242</b>	<b>(3.7)%</b>
<b>EBITDA Margins (%)</b>	<b>4.30%</b>	<b>3.24%</b>	<b>106 BPS</b>	<b>4.35%</b>	<b>(5) BPS</b>
Depreciation	26	10	160.0%	29	(10.3)%
Finance Cost	60	56	7.1%	55	9.1%
<b>PBT</b>	<b>147</b>	<b>109</b>	<b>34.9%</b>	<b>158</b>	<b>(7.0)%</b>
Tax	14	12	16.7%	29	(51.7)%
<b>PAT</b>	<b>133</b>	<b>97</b>	<b>37.1%</b>	<b>129</b>	<b>3.1%</b>
<b>PAT Margins (%)</b>	<b>2.45%</b>	<b>1.79%</b>	<b>66 BPS</b>	<b>2.32%</b>	<b>13 BPS</b>
Other Comprehensive Income	(31)	-	NA	68	NA
<b>Total Comprehensive Income</b>	<b>102</b>	<b>97</b>	<b>5.2%</b>	<b>197</b>	<b>(48.2)%</b>
Diluted EPS (INR) (not annualised)	8.46	7.21	17.3%	8.21	3.0%

\*Include Other Income

# 9M-FY19 Consolidated Income Statement (IND-AS)

PARTICULARS (INR Mn)	9M-FY19	9M-FY18	Y-o-Y
<b>Total Revenue*</b>	<b>14,928</b>	<b>16,248</b>	<b>(8.1)%</b>
Total Expenses	14,310	15,785	(9.3)%
<b>EBITDA</b>	<b>618</b>	<b>463</b>	<b>33.5%</b>
<b>EBITDA Margins (%)</b>	<b>4.14%</b>	<b>2.85%</b>	<b>129 Bps</b>
Depreciation	83	34	144.1%
Finance Cost	165	126	31.0%
<b>PBT</b>	<b>370</b>	<b>303</b>	<b>22.1%</b>
Tax	63	34	85.3%
<b>PAT</b>	<b>307</b>	<b>269</b>	<b>14.1%</b>
<b>PAT Margins (%)</b>	<b>2.06%</b>	<b>1.66%</b>	<b>40 Bps</b>
Other Comprehensive Income	38	-	NA
<b>Total Comprehensive Income</b>	<b>345</b>	<b>269</b>	<b>28.3%</b>
Diluted EPS (INR) (not annualised)	19.59	20.03	(2.2)%

\*Include Other Income

# **HISTORICAL FINANCIAL OVERVIEW**

# Standalone Income Statement

PARTICULARS (INR Mn)	FY15	FY16	FY17**	FY18**	9M-FY19**
<b>Total Revenue*</b>	<b>8,426</b>	<b>11,488</b>	<b>14,082</b>	<b>16,252</b>	<b>12,680</b>
Total Expenses	8,309	11,307	13,824	15,784	12,226
<b>EBITDA</b>	<b>117</b>	<b>181</b>	<b>258</b>	<b>468</b>	<b>454</b>
<b>EBITDA Margins (%)</b>	<b>1.39%</b>	<b>1.58%</b>	<b>1.83%</b>	<b>2.88%</b>	<b>3.58%</b>
Depreciation	6	8	24	50	83
Finance Cost	80	121	128	191	166
<b>PBT</b>	<b>31</b>	<b>52</b>	<b>106</b>	<b>227</b>	<b>205</b>
Tax	9	17	35	76	63
<b>PAT</b>	<b>22</b>	<b>35</b>	<b>71</b>	<b>151</b>	<b>142</b>
<b>PAT Margins (%)</b>	<b>0.26%</b>	<b>0.30%</b>	<b>0.50%</b>	<b>0.93%</b>	<b>1.12%</b>
Other Comprehensive Income	-	-	-	-	-
<b>Total Comprehensive Income</b>	<b>22</b>	<b>35</b>	<b>71</b>	<b>151</b>	<b>142</b>
Diluted EPS (INR)	2.01	3.18	5.27	11.21	9.07

\*Includes Other Income \*\*As per IndAs

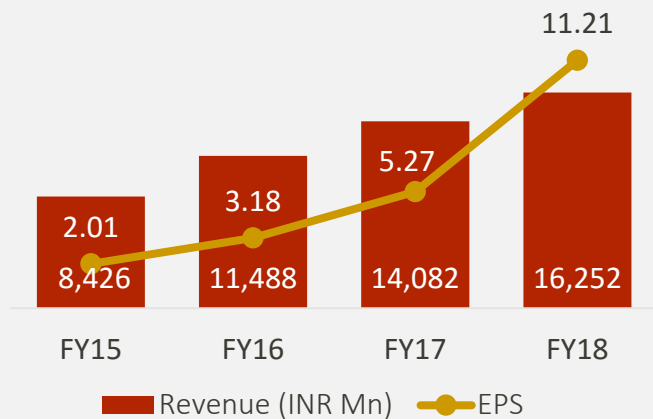
# Standalone Balance Sheet (As per IndAs)

PARTICULARS (INR Mn)	FY17	FY18	H1-FY19
<b>EQUITIES &amp; LIABILITIES</b>			
<b>Shareholder Funds</b>			
Share Capital	134	134	134
Other Equity	897	1,031	1,113
Instruments entirely equity in nature (Compulsorily Convertible Debentures)	-	504	504
<b>Non-current Liabilities</b>			
Borrowings, non-current	300	-	-
Deferred Tax Liabilities (Net)	6	13	10
Long-term provisions	4	6	8
Other non-current financial liabilities	-	-	-
<b>Current Liabilities</b>			
Short term Borrowings	1,210	1,207	1,379
Trade Payables	1,201	1,208	1,161
Other current financial liabilities	68	58	57
Other Current Liabilities	100	69	80
Short-term provisions	-	-	1
Current tax liabilities	29	68	119
<b>GRAND TOTAL - EQUITIES &amp; LIABILITES</b>	<b>3,949</b>	<b>4,298</b>	<b>4,566</b>

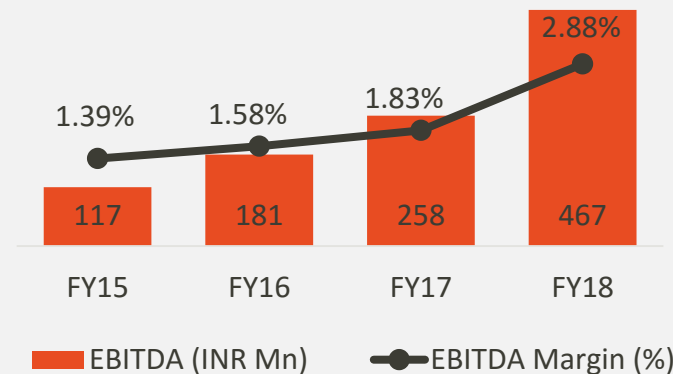
PARTICULARS (INR Mn)	FY17	FY18	H1-FY19
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	370	540	649
Intangible Asset			5
Capital work-in-progress		92	249
Intangible Asset under development	-	6	-
<b>Non-current financial assets</b>			
Non-current investment	47	58	57
Loans, non-current	37	13	13
Other non-current financial assets	27	49	83
Non-current asset classified as held for sale	-	14	-
<b>Current Assets</b>			
Inventories	721	992	858
Trade Receivables	1,953	1,974	1,897
Current Investments	-	5	25
Cash & Cash equivalents	(2)	13	12
Bank balance other than cash and cash equivalents	520	144	164
Loans, current	4	49	43
Other Current financial Assets	7	7	11
Other current assets	265	342	500
<b>GRAND TOTAL – ASSETS</b>	<b>3,949</b>	<b>4,298</b>	<b>4,566</b>

# Financial Performance - Standalone

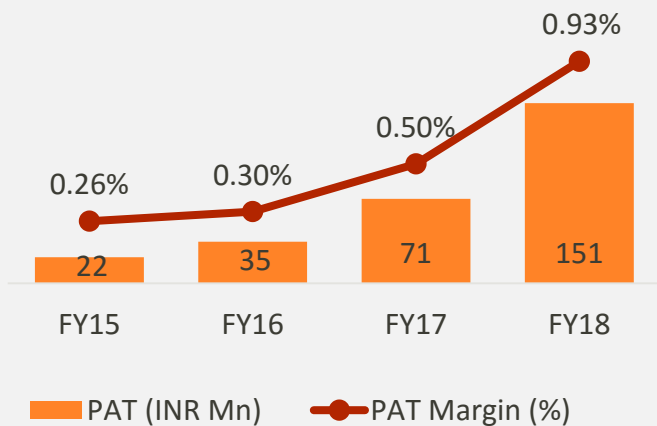
### Revenue (INR Mn) and EPS



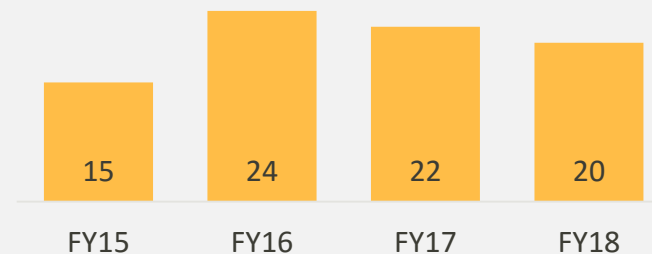
### EBITDA (INR Mn) and EBITDA Margins (%)



### PAT (INR Mn) and PAT Margins (%)



### Net Working Capital Days



# Consolidated Income Statement

PARTICULARS (INR Mn)	FY15	FY16	FY17**	FY18**	9M-FY19**
<b>Total Revenue*</b>	<b>9,831</b>	<b>12,711</b>	<b>17,590</b>	<b>20,440</b>	<b>14,928</b>
Total Expenses	9,674	12,415	17,044	19,795	14,310
<b>EBITDA</b>	<b>157</b>	<b>296</b>	<b>546</b>	<b>645</b>	<b>618</b>
<b>EBITDA Margins (%)</b>	<b>1.60%</b>	<b>2.33%</b>	<b>3.10%</b>	<b>3.16%</b>	<b>4.14%</b>
Depreciation	6	8	24	50	83
Finance Cost	80	122	129	191	165
<b>PBT</b>	<b>71</b>	<b>166</b>	<b>393</b>	<b>404</b>	<b>370</b>
Tax	9	17	35	76	63
<b>PAT</b>	<b>62</b>	<b>149</b>	<b>358</b>	<b>328</b>	<b>307</b>
<b>PAT Margins (%)</b>	<b>0.63%</b>	<b>1.17%</b>	<b>2.03%</b>	<b>1.60%</b>	<b>2.06%</b>
Other Comprehensive Income	-	-	-	-	38
<b>Total Comprehensive Income</b>	<b>62</b>	<b>149</b>	<b>358</b>	<b>328</b>	<b>345</b>
Diluted EPS (INR)	5.67	13.70	26.67	24.37	19.59

\*Include Other Income \*\*As per IndAs



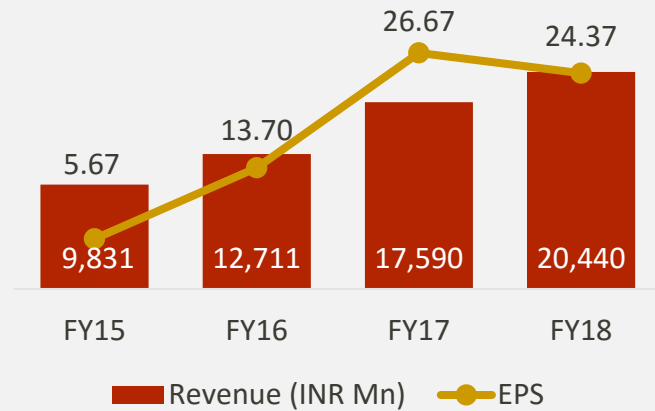
# Consolidated Balance Sheet (As per IndAs)

PARTICULARS (INR Mn)	FY17	FY18	H1-FY19
<b>EQUITIES &amp; LIABILITIES</b>			
<b>Shareholder Funds</b>			
Share Capital	134	134	134
Other Equity	1,340	1,655	1,890
Instruments entirely equity in nature (Compulsorily Convertible Debentures)	-	504	504
<b>Non-current Liabilities</b>			
Borrowings, non-current	300	-	-
Deferred Tax Liabilities (Net)	6	13	10
Long-term provisions	4	6	8
Other non-current liabilities	-	-	-
Other non-current financial liabilities	300	-	-
<b>Current Liabilities</b>			
Short term Borrowings	1,210	1,207	1,379
Trade Payables	1,508	1,208	1,192
Other current financial liabilities	70	60	57
Other Current Liabilities	172	82	80
Short-term provisions	2	-	3
Current tax liabilities	29	68	120
<b>GRAND TOTAL - EQUITIES &amp; LIABILITES</b>	<b>5,075</b>	<b>4,937</b>	<b>5,377</b>

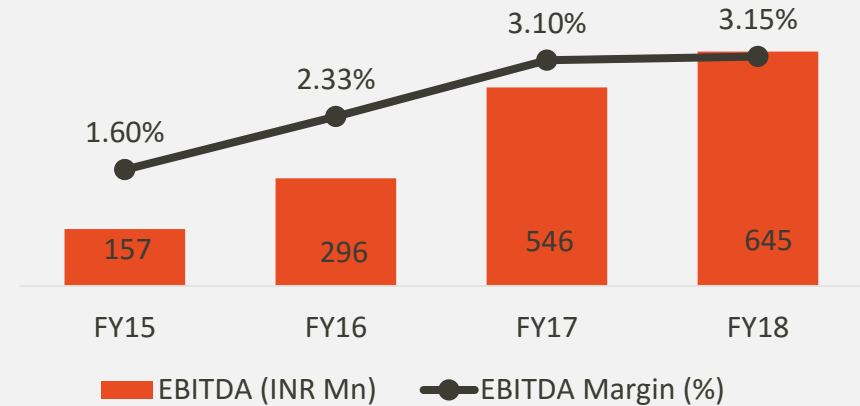
PARTICULARS (INR Mn)	FY17	FY18	H1-FY19
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	400	569	682
Intangible Asset			5
Capital work-in-progress		93	250
Intangible Asset under development	-	6	-
<b>Non-current financial assets</b>			
Non-current investment		11	11
Loans, Non-current	389	19	13
Other non-current financial assets		49	83
Defered tax assets	-	-	-
Other non-current assets	27	-	-
Non-current asset classified as held for sale	-	14	-
<b>Current Assets</b>			
Inventories	721	992	858
Trade Receivables	2,626	2,552	2,626
Current Investments	1	4	25
Cash & Cash equivalents	5	27	48
Bank balance other than cash and cash equivalents	520	144	164
Loans, current	17	81	65
Other Current financial Assets	7	7	11
Current tax asset (net)	-	1	-
Other current assets	362	368	536
<b>GRAND TOTAL – ASSETS</b>	<b>5,075</b>	<b>4,937</b>	<b>5,377</b>

# Financial Performance - Consolidated

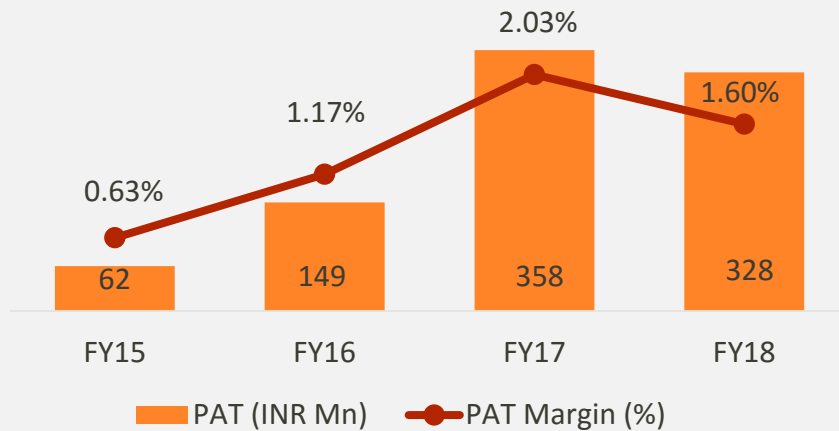
### Revenue (INR Mn) and EPS



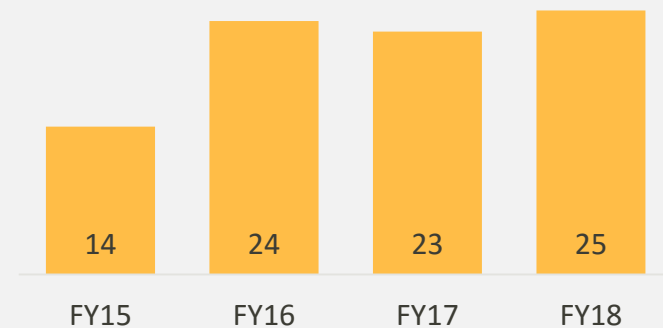
### EBITDA (INR Mn) and EBITDA Margins (%)



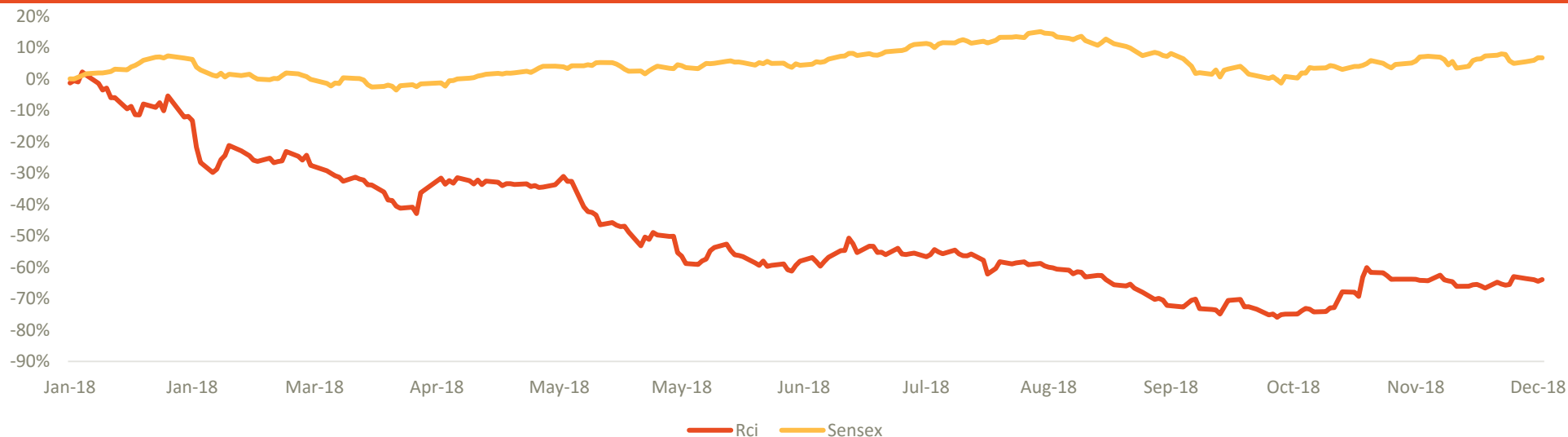
### PAT (INR Mn) and PAT Margins (%)



### Net Working Capital Days



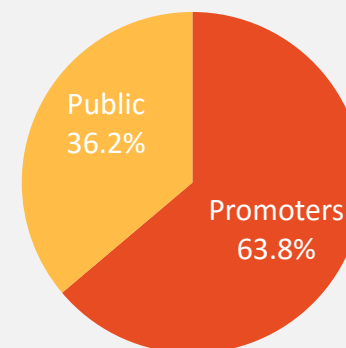
## Share Price Data (As on 31<sup>st</sup> December 2018)



### Price Data (As on 31<sup>st</sup> December 2018)

	INR
Face Value	10.00
Market Price	88.1
52 Week H/L	254.9/57
Market Cap (Mn)	1,183.70
Equity Shares Outstanding (Mn)	13.45
1 Year Avg Trading Volume ('000)	30.47

### Shareholding Pattern (As on 31<sup>st</sup> December 2018)



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**THANK YOU**