



About RKB Global Limited

A) Company Overview:

- (i) Established in 1932, the company initially focused on trading of raw steel materials and later on, focused on manufacturing and branding.
- (ii) Manufacturing Facilities: With state-of-the-art plants in Maharashtra and Gujarat.
- (iii) Strategic Partnerships: Notable collaboration with Tata for offering premium products.
- (iv) Innovation and Expansion: Introduction of import substitution products like Welding Wire and Bright Steel.

B) Product Portfolio:

- (i) Trapezoidal Profile Sheets and Color Coated/ Galvanized Corrugated Sheets for the roofing industry. Highlighting RKB's contribution to construction and infrastructure with durable and aesthetic solutions.
- (ii) MS ERW pipes and GP pipes are used in a wide range of applications from plumbing to engineering, demonstrating the company's ability to manufacture components essential for industrial and residential construction.
- (iii) Wire drawing and bundling wire, bright rod, welding electrodes, and MIG wire are essential for various manufacturing operations, and automotive and engineering projects, highlighting RKB's role in supporting critical industrial activities.
- (iv) The introduction of prefabricated building materials demonstrates RKB's focus on modern building requirements, providing efficient and customizable solutions for warehouses, sports facilities, factories, and multi-story buildings.
- (v) In addition to a comprehensive product portfolio, RKB Global Ltd is also involved in mining, owning a mine in Goa on a 25-year lease agreement with an annual export capacity of 150,000 tonnes. The mining project highlights RKB's commitment to vertical integration. This ensures a steady supply of raw materials to its manufacturing plants, allowing the company to maintain control over quality and costs. This strategic move will not only diversify RKB Global's business but also strengthen its position in the steel industry by leveraging its full potential. Resources have been depleted.

C) Financial Highlights:

- (i) Growth Trajectory: Demonstrating significant revenue and EBITDA growth from FY2020-21 to FY2024-25.
- (ii) FY2020-21 to FY2022-23: Steady growth in total revenue, operating profit, and net profit with significant upside in financial projections for FY2023-24 and FY2024-25.
- (iii) Funding Plans: The Company is in the early stages of IPO plans and is targeting INR 12,500-15,000 crore to fund its expansion and fundraising efforts.

Year	Revenue from Operations (INR Cr)	Operating Profit (INR Cr)	EBITDA Margin (%)	Net Profit (INR Cr)	Net Profit Margin (%)
2020-21	384.92	4.57	11.17	2.90	0.72
2021-22	368.39	5.21	16.95	4.60	1.25
2022-23	360.00	7.50	20.66	5.74	1.59
2023-24 (Proj.)	557.51	36.34	52.00	9.33	1.69
2024-25 (Proj.)	642.25	51.37	73.80	11.49	1.79



D) SWOT Analysis:

(i) Strengths: Experienced management, strong partnership with Tata, and a customer-centric approach.

(ii) Weaknesses: Capital requirement for expansion, competitive market landscape, and regulatory hurdles.

(iii) Opportunities: Expansion into new product segments, leveraging government initiatives, and tapping into growing market demands.

(iv) Threats: Deep-pocketed competitors, increasing costs, and environmental legislation.

E) Strategic Focus:

(i) Innovation & Product Expansion: Commitment to introducing new products to meet market needs.

(ii) Strengthen Partnerships: Leveraging relationships with key industry players like Tata for mutual growth.

(iii) Market Expansion: Plans to explore new markets and segments, particularly focusing on import substitutes.

(iv) Customer-Centric Approach: Emphasizing understanding and meeting customer needs to drive loyalty and sales.

F) Investment Insights:

With over nine decades of experience transitioning from trading to steel manufacturing, RKB Global Ltd presents an appealing investment opportunity. The company's financial projections indicate robust growth, and its strategic focus on innovation, market expansion, and customer satisfaction positions it well for future success. The planned IPO could offer a lucrative opportunity for investors, aligning with the company's expansion and capital enhancement goals.

Conclusion:

RKB Global Ltd stands out as a dynamic player in the steel industry, with a clear strategic direction, solid financial performance, and promising growth prospects. The company's focus on innovation, strategic partnerships, and market expansion, coupled with its robust financial projections, makes it an attractive proposition for investors looking forward to participating in its growth journey.

While RKB Global Ltd's financial projections for 2023-24 and 2024-25 showcase an ambitious and optimistic view of significantly higher revenue growth and profits, it's essential to approach these projections with a degree of caution. The company's anticipated sharp increase in revenue and profit margins suggests aggressive growth targets that may be challenging to achieve in the highly competitive and unpredictable steel industry.

Fundamentals

Fundamentals			
RKB Global	127 Per Equity Share	Market Cap (in cr.)	490.88
Unlisted Shares Price		P/E Ratio	60.98
Lot Size	500 Shares	P/B Ratio	3.2
52 Week High	135	Debt to Equity	0.25
52 Week Low	**	ROE (%)	5.61
Depository	NSDL & CDSL	Book Value	39.03
PAN Number	AAGCR7416J	Face Value	10
ISIN Number	INE028W01017		
CIN Number	U28100MH2013PLC251485		
RTA	N/A		



Financials (Figures in cr)

P&L Statement			
P&L Statement	2022	2023	2024
Revenue	368	360	457
Cost of Material Consumed	407	34	448
Gross Margins	-10.6	10	1.94
Change in Inventory	-61	13	-30
Employee Benefit Expenses	3	2	2.62
Other Expenses	3	4	6
EBITDA	16	17	30.38
OPM	4.35	4.72	6.65
Other Income	0	4	4
Finance Cost	11	10	21
D&A	2	3	3
EBIT	14	14	27.38
EBIT Margins	3.8	3.89	5.99
PBT	4	8	10.71
PBT Margins	1.09	2.22	2.34
Tax	1	2	2.67
PAT	3	6	8.04
NPM	0.82	1.67	1.76
EPS	1.04	2.07	2.05
Financial Ratios	2022	2023	2024
Operating Profit Margin	4.35	4.72	6.65
Net Profit Margin	0.82	1.67	1.76
Earning Per Share (Diluted)	1.04	2.07	2.05

Balance Sheet			
Assets	2022	2023	2024
Fixed Assets	21	20	44
CWIP	0	0	0
Investments	0	2	2
Trade Receivables	23	39	41
Inventory	110	97	127
Other Assets	78	72	65
Total Assets	232	230	279
Liabilities	2022	2023	2024
Share Capital	28.8	28.95	39.27
FV	10	10	10
Reserves	10	17	104
Borrowings	0	0	36
Trade Payables	0	0	0
Other Liabilities	193.2	184.05	100
Total Liabilities	232	230	279.27