

RAMKRISHNA FORGINGS LIMITED

Date: 26th July 2021

The Listing Department
Bombay Stock Exchange
PJ Towers
Dalal Street
Mumbai – 400 001

The Listing Department
National Stock Exchange of India Limited
“Exchange Plaza” C-1, Block G
Bandra- Kurla Complex, Bandra (E)
Mumbai- 400051

BSE SCRIP CODE: 532527

NSE SYMBOL: RKFORGE

Dear Sir / Madam,

Sub: Investor Presentation for the quarter ended 30th June 2021

Please find enclosed the Investor Presentation on the financial results of the Company for the quarter ended 30th June 2021.

Request to kindly take the same into record.

Thanking You,

Yours truly,
For Ramkrishna Forgings Limited

Rajesh Mundhra
Company Secretary



REGISTERED & CORPORATE OFFICE

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CIN NO. :L74210WB1981PLC034281





Ramkrishna Forgings Limited

Result Update Presentation – Q1 FY22

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***Standalone Quarterly Highlights
– Q1 FY22***

Q1 FY22 at Glance



177,200 T

Installed Capacity 18.1 %
YoY increase

17,000 T

Added 7000T Press Line



21,905 T

Sales Volume
230.2 % YoY increase



Rs. 412.86 Cr

Revenue from Operations (Rs.)
256.4 % YoY increase

Rs. 95.32 Cr

EBITDA (excl. other Income)(Rs.)
-1.49 Cr in Q1 FY21

23.09%

EBITDA Margin
-1.3% in Q1 FY21



Rs. 24.61 Cr

PAT (Rs.)
-26.47 Cr in Q1 FY21

Commenting on the results and performance, Mr. Mahabir Prasad Jalan, Chairman said:

The Company has achieved a turnover of Rs 412.86 Crores in Q1FY22 in comparison to Rs 115.85 Crores in Q1FY21 registering an increase of 256.4% YOY. The Company has achieved an Export turnover of Rs 218.23 Crores in Q1FY22 in in comparison to Rs 66.15 Crores, registering a growth of 229.9%. The EBDITA (excl. other income) is also Rs 95.32 Crores in Q1 FY22 in comparison to Rs -1.49 Crores in Q1FY21. The PAT has also increased to Rs 24.61 Crores in Q1 FY22 from Rs -26.47 Crores in Q1FY21.

With the commissioning of Hollow Spindle Line, 7000T Press Line along with Fabrication facilities for coach shells for LHB coaches till Q1 FY22 and further with commissioning of additional press line of 2000T (warm forging) which will enhance the forging capacity by 9900 Tons in Q2 FY22. With this addition the total capacity will be 1,87,100 tons per annum and will mark an end to our current capex cycle. The above will lead to savings in raw material consumption due to better input output ratio, thereby adding improvement in profitability .

With the above facility the Company will improve further its presence to customers in terms of content per vehicle, new product developments and improve upon its ability to develop further new products across all customers and all geography.



Managing Director Comments – Q1 FY22



Commenting on the results and performance, Mr. Naresh Jalan, Managing Director said:

Our performance has been in line with our expectations given the overall impact of 2nd wave COVID-19 and resultant restrictions. However, in Domestic CV market our performance was sub optimal due to overall low demand. From 3rd week of June, we see domestic market stabilizing and improvement in utilization of fleet owners and improvement in freight rates.

We feel there should be considerable pick up in Commercial Vehicle (CV) demand from Q2 & followed by festive season demand in Q3.

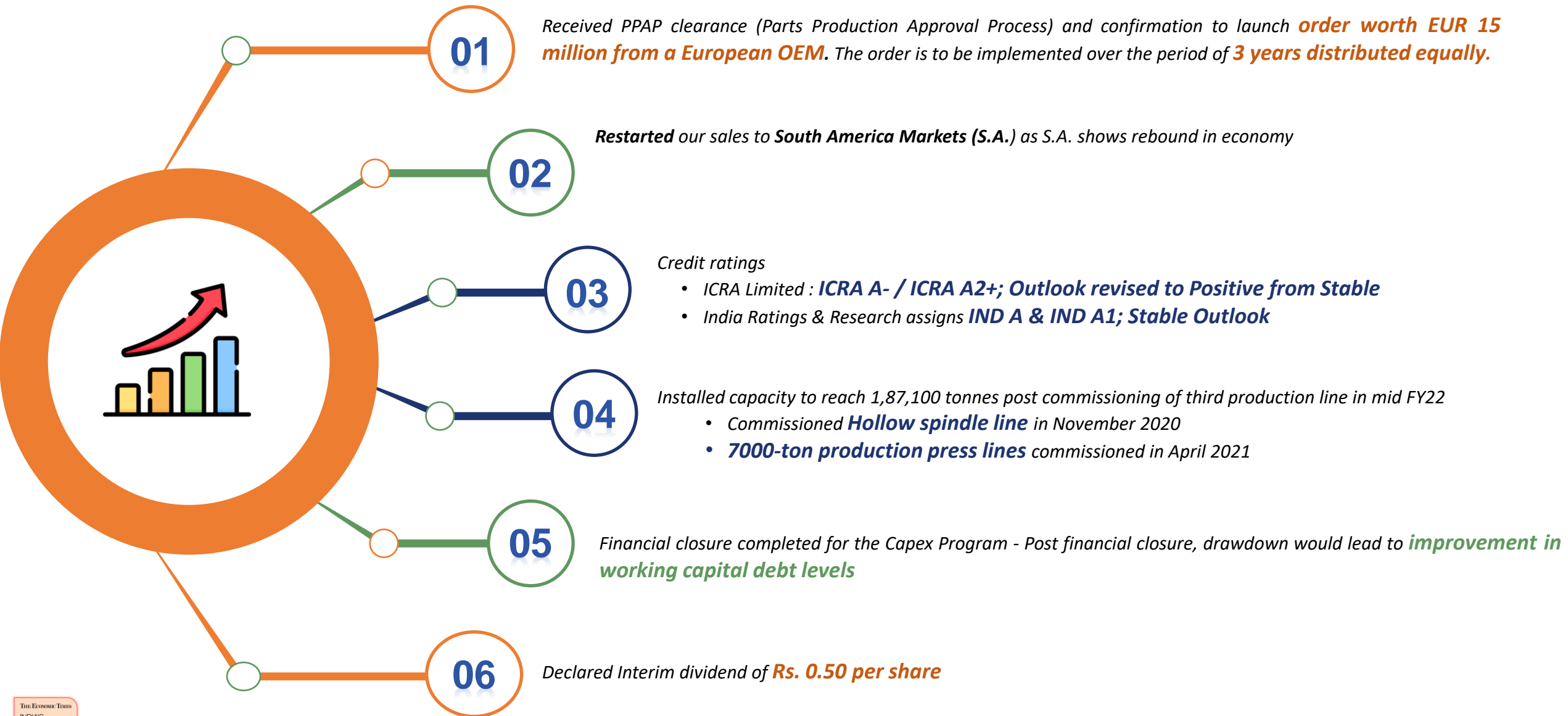
The recent new order wins shows that Company has been able to create significant in roads in European CV market, strengthening Company's exports orderbook further.

We have also made significant foray in roads in Mining & Excavator segments in domestic market.

In view of above, we are very confident of strong performance in upcoming quarters.



Key Highlights



PLI Scheme

PLI scheme to boost growth – **Rs. 57,042 crore (USD 7.81 billion)** laid out for automobiles & auto components sector in Production Linked Incentive (PLI) scheme under the Department of Heavy Industries

Post Covid scenario

In post COVID scenario, the consumer is likely to be a shift away from shared mobility options as people prioritise social distancing and personal hygiene. This would effectively translate into a **higher preference for affordable personal mobility**, which could boost sales for auto manufacturers.

Domestic Auto Sector

Demand and consumption in the domestic auto sector is likely to remain strong during the upcoming quarters, led by normalisation in economic activities, healthy rural demand, lower interest rates and preference for personal mobility

European Market

European truck market is continuing to recover, with new registrations expected to rebound by 18% this year after a 27% plunge in 2020. Supply side delays following disruptions and shortages will slow the upward trend, but order books suggest the recovery will last into 2022.

North American Market

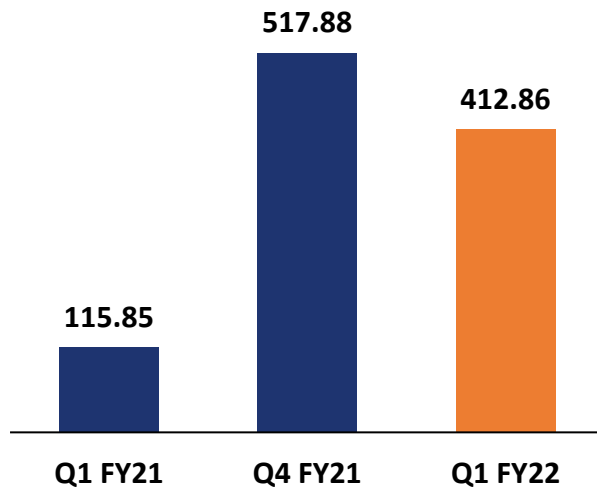
U.S. new light vehicle sales in June reached 1.3 million units, **Sales for the first half** of the year are **up by 30%**, compared to the same period in 2020. **U.S. fleet sales were up by 5% for January – June**, compared to the same period last year.

Standalone Financial Highlights - Quarter

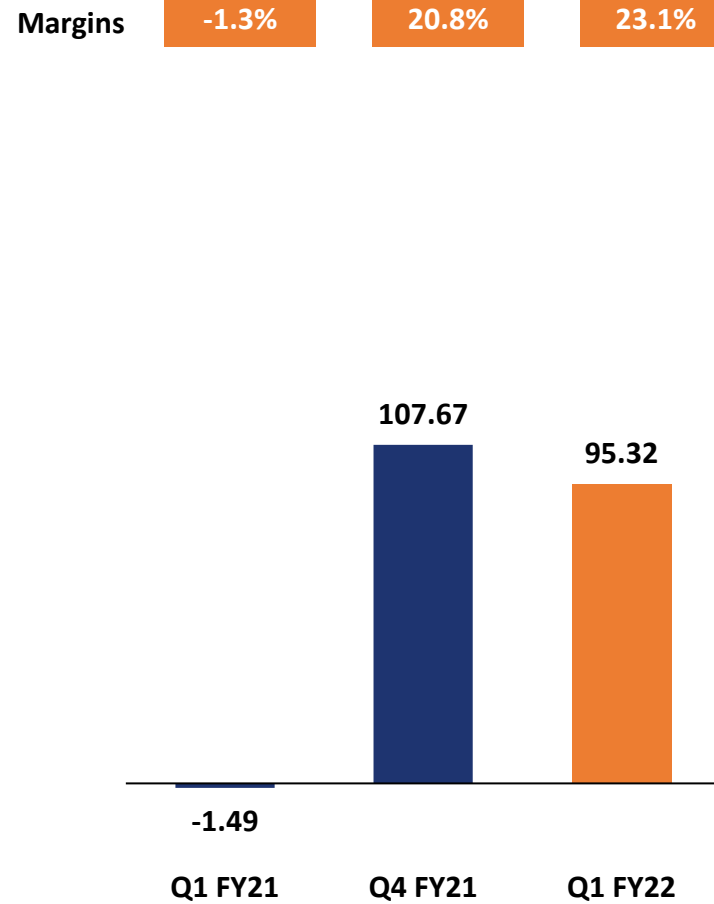


(In Rs. Cr)

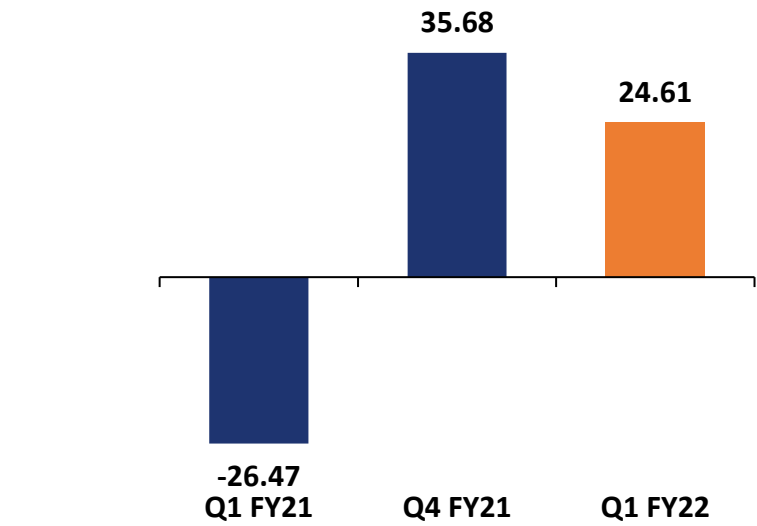
Revenue from Operations



EBITDA

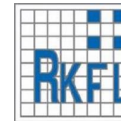


PAT



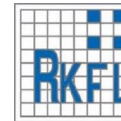
Note: 1. Revenue from operations excludes other income
2. EBITDA excludes other income

Standalone P&L - Quarter



Profit and Loss (in Rs. Crs.)	Q1FY22	Q1FY21	YoY	Q4FY21	QoQ
Revenue from Operations	412.86	115.85	256.4%	517.88	-20.3%
Cost of Goods Sold	162.09	55.13		263.73	
Gross Profit	250.77	60.71	313.0%	254.15	-1.3%
Gross Profit Margin	60.7%	52.4%		49.1%	
Employee Cost	31.51	21.18		23.79	
Power and Fuel	33.65	10.08		34.91	
Other Expenses	90.29	30.95		87.78	
EBITDA (excl. other Income)	95.32	-1.49		107.67	-11.5%
EBITDA Margin	23.1%	-1.3%		20.8%	
Other Income	0.80	0.61		2.21	
Depreciation	38.84	22.33		36.65	
Finance Cost	20.25	18.14		18.30	
Exceptional Item Gain / (Loss)	-	-		-	
Profit before Tax	37.02	-41.35		54.93	-32.6%
Profit before Tax Margin	9.0%	-35.7%		10.6%	
Tax	12.41	-14.88		19.25	
Profit After Tax	24.61	-26.47		35.68	-31.0%
Profit After Tax Margin	6.0%	-22.9%		6.9%	
Other Comprehensive Income	0.08	-0.07		0.54	
Total Comprehensive Income	24.70	-26.54		36.22	-31.8%

Key Operational Matrix



Total Sales Volume Break-up (In tons)

Particulars	Q1 FY22	Q4 FY21	Q-o-Q	Q1 FY21	Y-o-Y	FY21	FY20	Y-o-Y
Domestic Markets	11,684	21,217	-44.9%	3,400	243.6%	51,603	43,047	19.9%
Export Markets	10,221	9,693	5.4%	3,234	216.0%	26,977	22,955	17.5%
Total	21,905	30,910	-29.1%	6,634	230.2%	78,580	66,002	19.1%

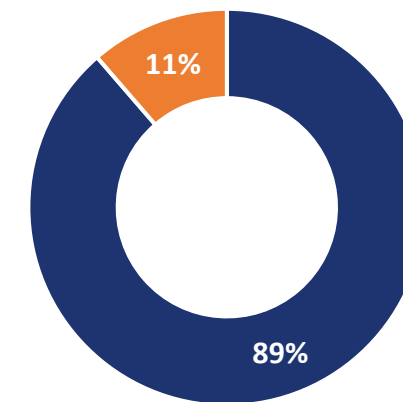
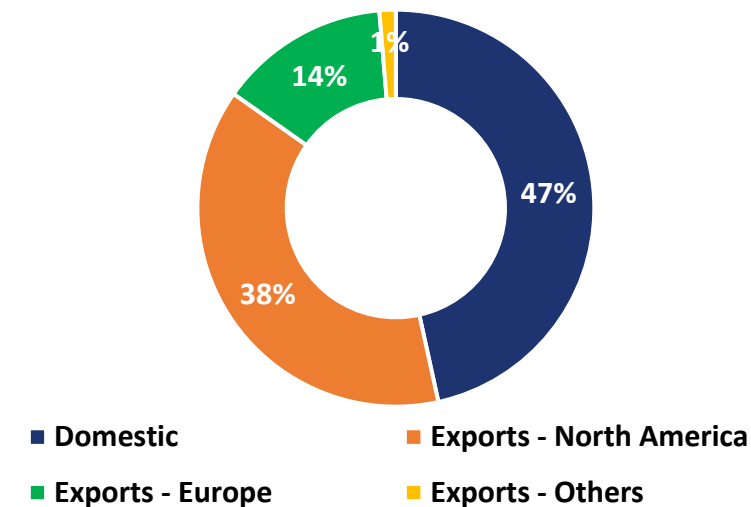
Sales Realisations (Rs. / ton)

Particulars	Q1 FY22	Q4 FY21	Q-o-Q	Q1 FY21	Y-o-Y	FY21	FY20	Y-o-Y
Domestic Markets	1,62,700	1,52,522	6.7%	1,37,945	17.9%	1,44,759	1,52,008	-4.8%
Export Markets	2,13,507	1,95,800	9.0%	2,04,554	4.4%	1,94,851	1,90,834	2.1%

Total Revenue Breakup (Rs. Crs.)

Particulars	Q1 FY22	Q4 FY21	Q-o-Q	Q1 FY21	Y-o-Y	FY21	FY20	Y-o-Y
Domestic Markets	190.11	323.60	-41.3%	46.90	305.4%	747.01	654.35	14.2%
Export Markets	218.23	189.79	15.0%	66.15	229.9%	525.65	438.06	20.0%
Other Income	0.80	2.21	-63.8%	0.62	31.1%	4.61	6.02	-23.4%
Export Incentive	4.52	4.49	0.7%	2.79	62.0%	15.72	19.41	-19.0%
Total	413.66	520.09	-20.5%	116.46	255.2%	1,292.99	1,117.84	15.7%

Revenue Mix – Q1FY22



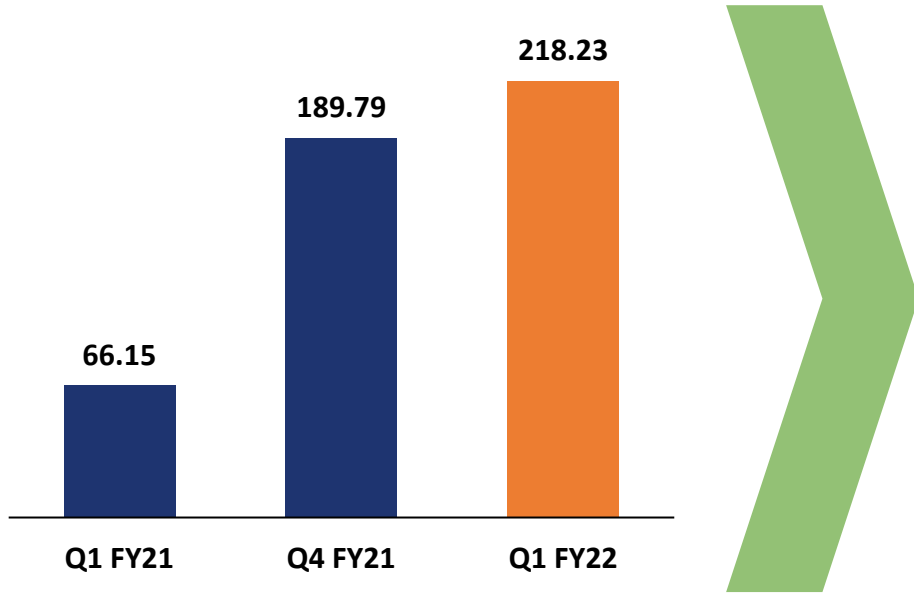
■ Auto ■ Others

Export Revenue Break-up - Quarter

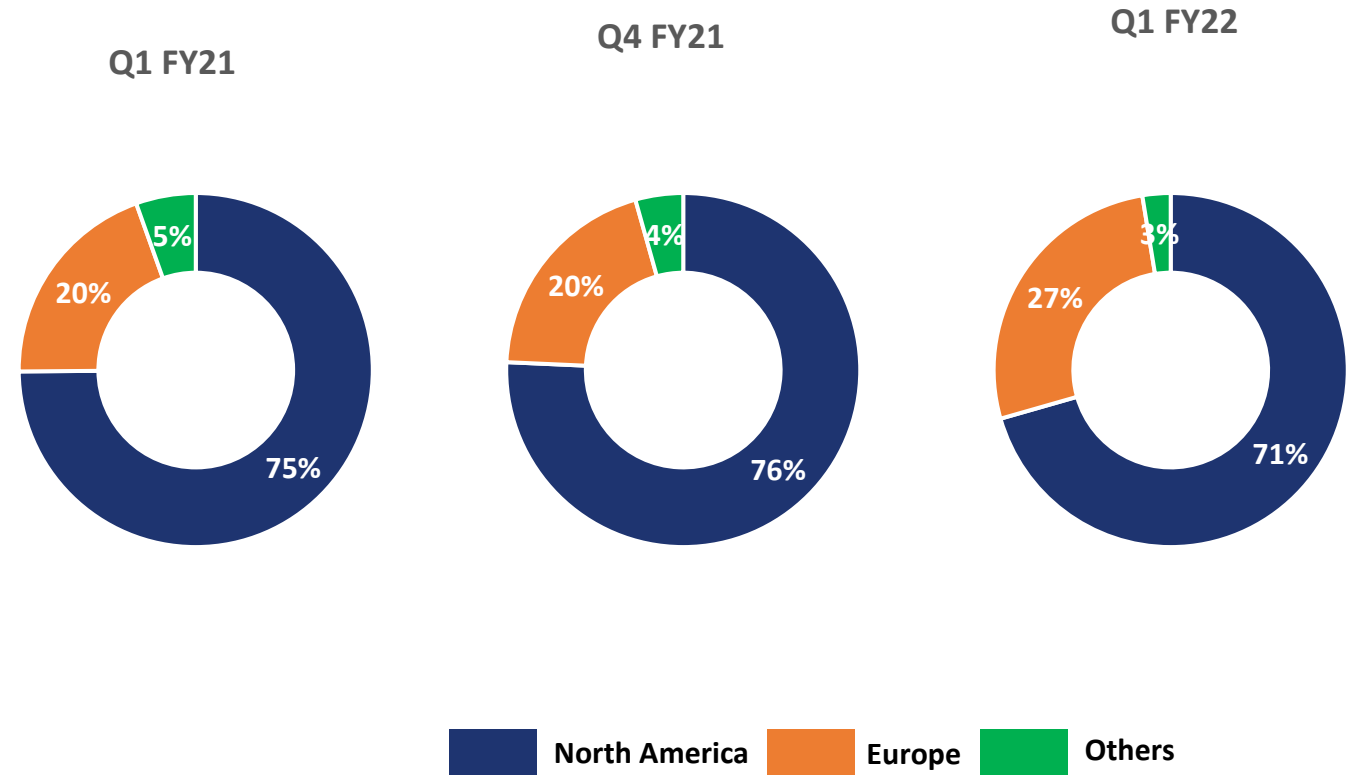


(In Rs. Cr)

Export Revenue



Geography wise Exports



Manufacturing Capacity and Utilization - Quarter



Particulars	Installed Capacity	Q1 FY22		Q4 FY21		Q3 FY21		Q2 FY21		Q1 FY21		Q4 FY20	
		Production (MT)	Utilization (%)	Production (MT)	Utilization (%)	Production (MT)	Utilization (%)	Production (MT)	Utilization (%)	Production (MT)	Utilization (%)	Production (MT)	Utilization (%)
Ring Rolling	24,000	7,528	125.47%	7,345	122.42%	7,130	118.83%	4,793	79.88%	1,599	26.65%	3,448	57.47%
Forgings	46,000	12,037	104.67%	13,276	115.44%	11,112	96.63%	7,470	64.96%	3,182	27.67%	6,589	57.30%
Press*	107,200	15,871	59.22%	16,606	73.64%	12,845	64.23%	6,158	30.79%	3,129	15.65%	6,052	30.26%
Total Capacity	1,77,200	35,436	79.99%	37,227	92.95%	31,087	82.90%	18,421	49.12%	7,910	21.09%	16,089	42.90%

**Note: Installed capacity after commissioning of Hollow Spindle Line & 7000T Press Line*



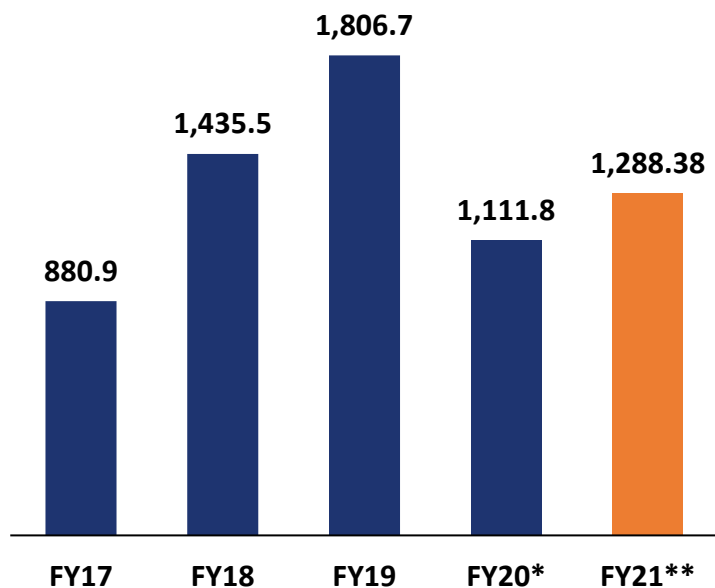
***Historical Financial Highlights -
Annual***

Standalone Historical Financial Highlights - Annual



(In Rs. Cr)

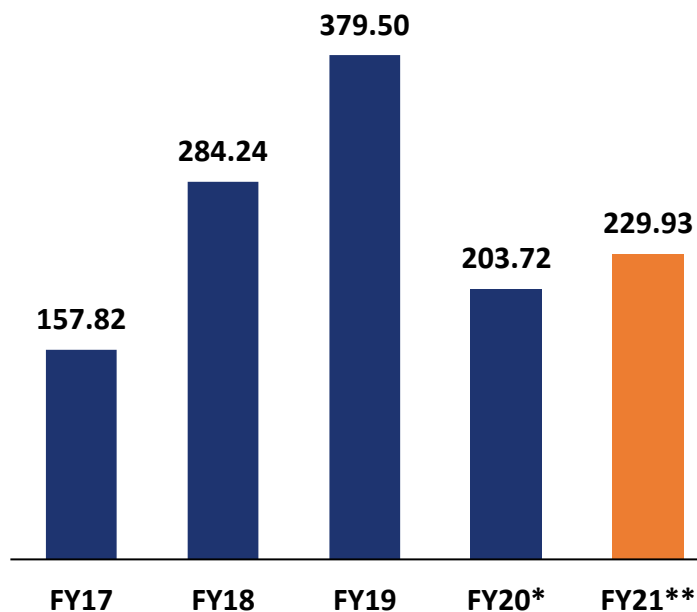
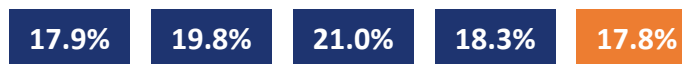
Revenue from Operations



Note: 1. Revenue from operations excludes other income
2. EBITDA excludes other income

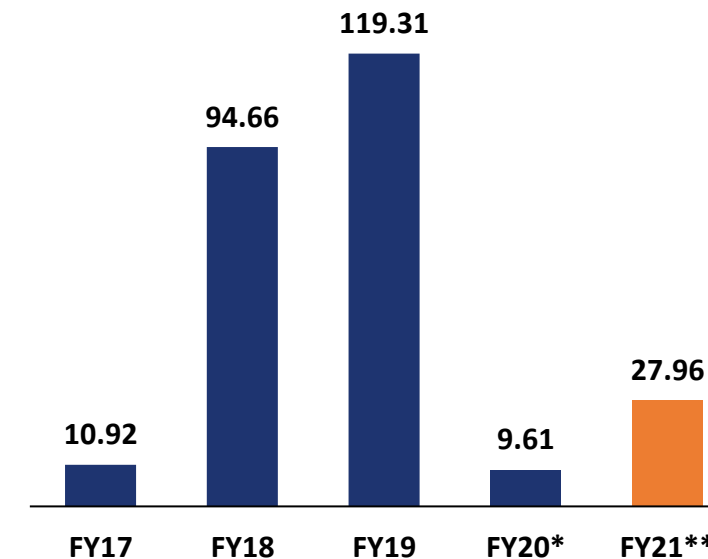
EBITDA

Margins



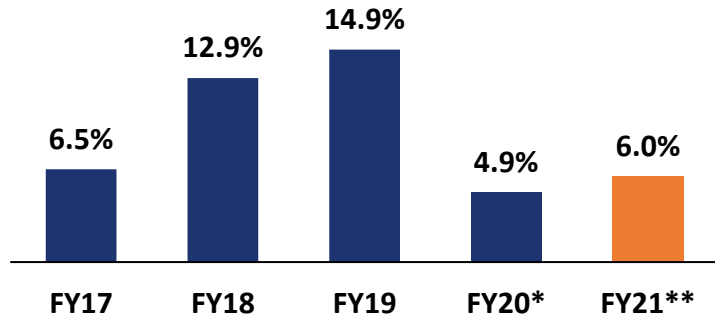
PAT

Margins

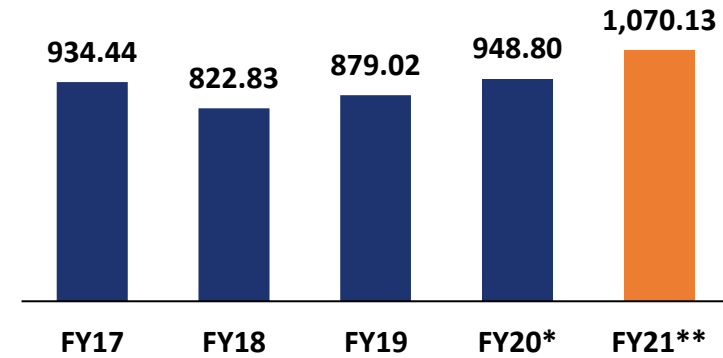


* - FY20 Performance impacted due to economic slowdown leading to sluggish demand for CVs
** - FY21 Performance impacted due to COVID-19 induced lockdown

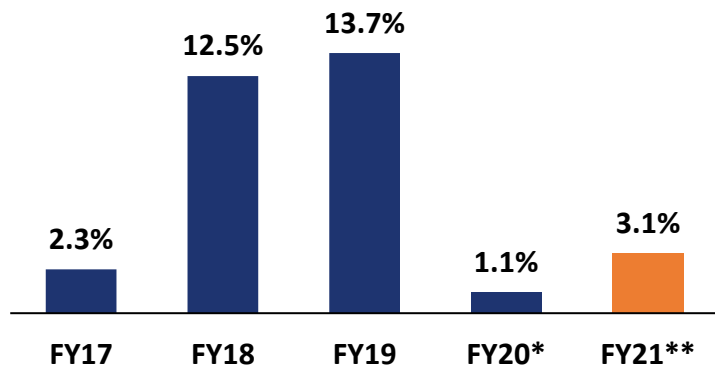
ROCE (%)



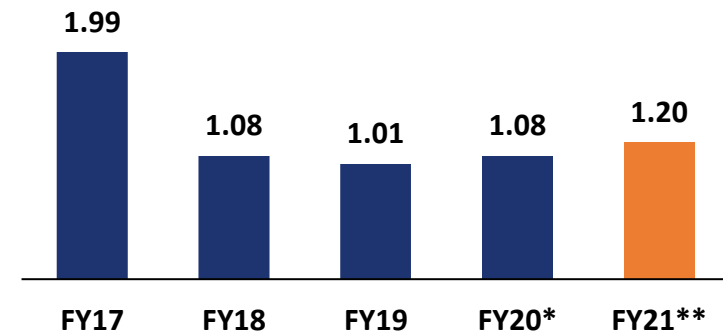
Net Borrowings (In Rs. Cr)



ROE (%)



Debt to Equity (x)



* - FY20 Performance impacted due to economic slowdown leading to sluggish demand for CVs
 ** - FY21 Performance impacted due to COVID-19 induced lockdown

Standalone P&L - Annual



Profit and Loss (in Rs. Crs.)	FY21**	FY20*	FY19	FY18	FY17
Revenue from Operations	1,288.38	1,111.82	1,806.69	1,435.47	880.91
Cost of Goods Sold	645.47	506.73	926.50	713.78	367.94
Gross Profit	642.91	605.09	880.19	721.69	512.97
Gross Profit Margin	49.9%	54.4%	48.7%	50.3%	58.2%
Employee Cost	90.37	94.24	96.82	87.39	78.98
Power and Fuel	93.54	97.19	142.48	121.68	86.65
Other Expenses	229.07	209.95	261.39	228.38	189.52
EBITDA	229.93	203.72	379.50	284.24	157.82
EBITDA Margin	17.8%	18.3%	21.0%	19.8%	17.9%
Other Income	4.61	6.02	2.99	4.19	8.15
Depreciation	116.28	120.16	120.83	84.40	74.73
Finance Cost	76.78	75.15	79.22	69.82	74.98
Exceptional Item Gain / (Loss)	-	-	-	-	-
Profit before Tax	41.48	14.42	182.44	134.21	16.27
Profit before Tax Margin	3.2%	1.3%	10.1%	9.3%	1.8%
Tax	13.52	4.80	63.13	39.55	5.34
Profit After Tax	27.96	9.61	119.31	94.66	10.92
Profit After Tax Margin	2.2%	0.9%	6.6%	6.6%	1.2%
Other Comprehensive Income	0.33	-0.27	-0.85	-0.10	0.18
Total Comprehensive Income	28.29	9.34	118.46	94.56	11.11

* - FY20 Performance impacted due to economic slowdown leading to sluggish demand for CVs
 ** - FY21 Performance impacted due to COVID-19 induced lockdown

Standalone Balance Sheet



Assets (in Rs. Crs.)	Mar-21**	Mar-20*	Mar-19	Mar-18	Mar-17
Non - Current Assets	1,555.85	1,445.02	1,308.43	1,163.71	1,117.74
Property Plant & Equipments	1,221.83	1,157.32	1,104.86	1,065.48	1,013.07
CWIP	272.02	216.44	129.59	43.56	50.42
Intangible assets	0.79	0.82	1.45	2.42	3.37
Right of use asset	10.09	8.41	0.00	0.00	0.00
Financial Assets					
(i) Trade receivables	0.00	3.71	0.00	0.00	0.00
(ii) Investments	19.38	19.30	19.30	19.30	19.30
(iii) Loans	13.87	13.50	12.50	12.22	12.58
(iv) Other Financial Assets	0.52	0.71	0.52	0.26	13.86
Non - Current Assets (Net)	2.50	2.50	0.00	0.00	0.00
Other Non Current Assets	14.85	22.32	40.21	20.46	5.14
Current Assets	1,123.39	732.61	840.65	848.65	693.81
Inventories	424.00	357.19	331.26	299.39	228.56
Financial Assets					
(i) Trade receivables	559.93	302.60	466.04	472.20	393.74
(ii) Cash and cash equivalents	66.59	2.26	1.94	0.37	0.20
(iii) Bank balances other than cash and cash equivalents	0.22	0.07	0.54	0.01	0.87
(iv) Loans	1.63	7.32	0.61	0.86	0.96
(v) Other Financial Assets	27.47	32.31	26.89	37.43	1.98
Current Tax Assets (Net)	0.14	0.14	0.23	0.23	1.04
Other Current Assets	43.41	30.72	13.15	38.17	66.46
Total Assets	2,679.23	2,177.63	2,149.09	2,012.36	1,811.56

Equity & Liabilities (in Rs. Crs.)	Mar-21**	Mar-20*	Mar-19	Mar-18	Mar-17
Total Equity	889.97	876.43	872.90	759.18	469.55
Share Capital	31.93	32.61	32.61	32.59	28.67
Reserves & Surplus	858.04	843.82	840.30	726.59	440.88
Non-Current Liabilities	750.26	558.78	535.02	458.78	477.02
(i) Borrowings	663.60	479.03	458.16	386.08	423.31
(ii) Lease Liabilities	3.78	3.53	0.00	0.00	0.00
(iii) Other Financial Liabilities	0.00	0.00	0.00	0.00	10.17
Deferred Tax Liabilities	65.88	59.45	57.18	34.44	22.89
Other Non Current Liabilities	16.99	16.78	19.69	38.26	20.64
Current Liabilities	1,039.01	742.42	741.16	794.40	864.99
Financial Liabilities					
(i) Borrowings	449.02	364.25	332.07	345.16	430.62
(ii) Lease Liabilities	0.22	0.40	0.00	0.00	0.00
(iii) Trade Payables	429.16	206.93	264.72	288.86	275.76
(iv) Other Financial Liabilities	141.44	157.91	120.90	146.91	148.63
Other Current Liabilities	12.28	7.59	15.98	6.45	0.00
Provisions	5.20	5.34	5.58	2.91	2.36
Current tax liabilities (net)	1.70	0.00	1.91	4.11	7.63
Total Equity & Liabilities	2,679.23	2,177.63	2,149.09	2,012.36	1,811.56

* - FY20 Performance impacted due to economic slowdown leading to sluggish demand for CVs
 ** - FY21 Performance impacted due to COVID-19 induced lockdown

Standalone Cashflow Statement - Annual



Particulars (Rs. Crs)	FY21**	FY20*	FY19	FY18	FY17
Net Profit Before Tax	41.48	14.42	182.44	134.21	16.27
Adjustments for: Non -Cash Items / Other Investment or Financial Items	184.53	176.67	180.22	153.02	141.24
Operating profit before working capital changes	226.01	191.09	362.66	287.24	157.51
Changes in working capital	-93.94	66.78	-48.41	-138.88	-8.94
Cash generated from Operations	132.07	257.86	314.25	148.36	148.57
Direct taxes paid (net of refund)	-5.57	-6.70	-41.48	-23.32	-4.23
Net Cash from Operating Activities	126.50	251.16	272.77	125.03	144.33
Net Cash from Investing Activities	-226.22	-224.93	-253.85	-109.55	-108.49
Net Cash from Financing Activities	164.05	-25.90	-17.35	-15.32	-36.75
Net Decrease in Cash and Cash equivalents	64.32	0.33	1.57	0.16	-0.91
Add: Cash & Cash equivalents at the beginning of the period	2.26	1.94	0.37	0.20	1.12
Cash & Cash equivalents at the end of the period	66.59	2.26	1.94	0.37	0.20

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 ** - FY21 Performance impacted due to COVID-19 induced lockdown



Conference Call Details



Q1 FY22 Earnings Call

Scheduled on:

Monday, July 26, 2021 at 16:00 Hours India Time

Pre-Registration Link:



Contact Information

Company :



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CIN: L74210WB1981PLC034281

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Thank You