



**RAMKRISHNA
FORGINGS
LIMITED**

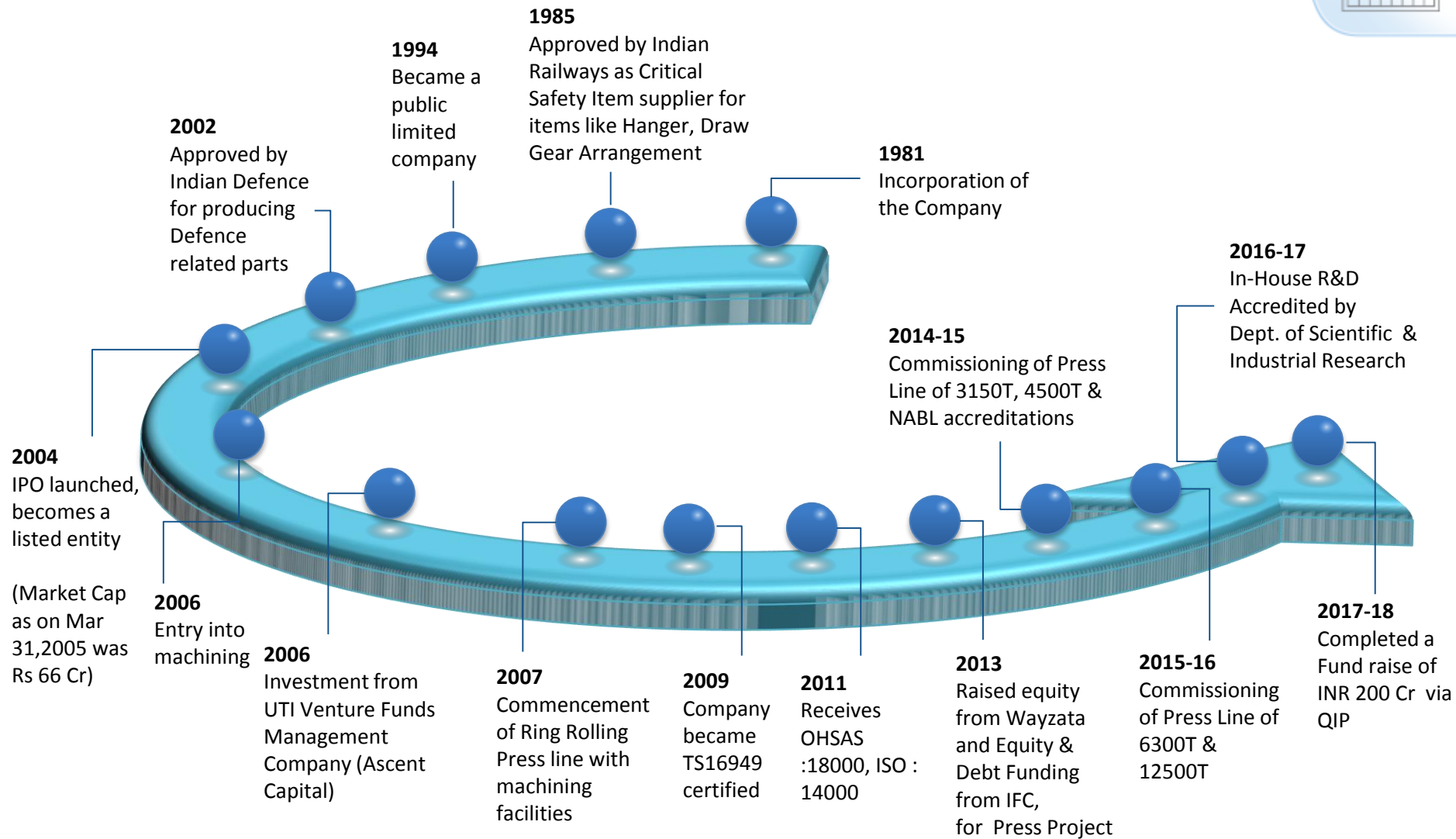
Investor Presentation

July
2018





Milestone - Ramkrishna Journey So Far





Strategic Positioning to Ensure Long Term Growth

Ramkrishna Forgings Ltd. (RKFL) has manufacturing facilities at Jamshedpur and is among the leading automotive component manufacturers in India. RKFL supplies a wide range of components and has state of the art equipment backed by advanced technology.

RKFL's products find application across markets in both the automotive and non-automotive sectors. These markets include medium & heavy commercial vehicles, tractors, Railways and the oil & gas sector. RKFL's customer base includes global OEM's and TIER 1 customers.

Over the medium term, RKFL will likely benefit from an rising share of business from market leader in the Medium & Heavy Commercial Vehicle (M&HCV) segment, higher sourcing of components from cost competitive manufacturing hubs in Asia (including India), and from development of new product segments and customers. RKFL targets doubling of revenues over the next three to four years. Richer product mix and economies of scale will drive EBITDA margins higher by 200-300bps resulting in a margin in the range of 22-24% over the next three years.

Sustainable growth - Going forward management would focus on increasing sales contribution from segments like Railway, LCV, PV, Defence and 2W. Strive to achieve fair sales mix across geographies / segments and customers

Value addition - Focus on large and complex products (including assemblies) requiring higher skills and technical capabilities. Resulting in higher Margins

More content per vehicle - Strengthen existing relationship with OEMs and Tier I players through a diversified and increased product offering and become supplier of the choice

Profitability and Return ratios – Strong focus on further improving the profitability and return ratios

FTR – Forecast Class 8 Truck – North America

Particulars	CY2017	CY2018	CY2019
US	194,162	239,550	267,500
<i>(Y/Y % Change)</i>	<i>11.2</i>	<i>23.4</i>	<i>11.7</i>
Canada	26,085	32,844	29,400
<i>(Y/Y % Change)</i>	<i>27.0</i>	<i>25.9</i>	<i>(10.5)</i>
Mexico	23,357	26,382	29,600
<i>(Y/Y % Change)</i>	<i>(5.3)</i>	<i>14.9</i>	<i>10.3</i>
Export	6,550	5,774	8,500
<i>(Y/Y % Change)</i>	<i>(1.8)</i>	<i>(11.8)</i>	<i>47.2</i>
Total	250,154	305,000	335,000
<i>(Y/Y % Change)</i>	<i>10.5</i>	<i>21.9</i>	<i>9.8</i>

Source: FTR Outlook 6/29/2018

Government Initiatives

The Government of India's Automotive Mission Plan (AMP) 2006–2016 has come a long way in ensuring growth for the sector. Indian Automobile industry is expected to achieve a turnover of \$300 billion by the year 2026 and will grow at a rate of CAGR 15 per cent from its current revenue of \$74 billion.

Government has drafted Automotive Mission Plan (AMP) 2016-26 which will help the automobile industry to grow and will benefit Indian economy in the following ways:-

- Contribution of auto industry in the country's GDP will rise to 13 per cent, currently which is less than 10 per cent
- More than 100 million jobs will be created in the economy
- Companies will invest around US \$80 billion as a part of their capital expenditure
- End of life Policy will be implemented for old vehicles

Source: Indian Brand Equity Foundation

Road Ahead

The rapidly globalising world is opening up newer avenues for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt to the change via systematic research and development.

The Indian auto-components industry is set to become the third largest in the world by 2025. Indian auto-component makers are well positioned to benefit from the globalisation of the sector as exports potential could be increased by up to four times to US\$ 40 billion by 2020.

In year 2020, scrappage Policy expected to eliminate 700,000 commercial vehicle. To fuel incremental demand.

The recent Government notification for enhancing the pay load of commercial vehicles will further boost the demand for heavier components.

Source: Indian Brand Equity Foundation

Net Revenue from Operations
(excl. other income)(INR Crs)

410.48
+ 59.0% growth ↑

EBDITA (excl. other income)
(INR Crs)

86.48
+ 72.5 % growth ↑

Operating Margin EBDITA (%)

21.1 %
+ 167bps growth ↑

PAT (Rs Crs)

27.72
205.2 % growth ↑

Note: % change of YoY basis



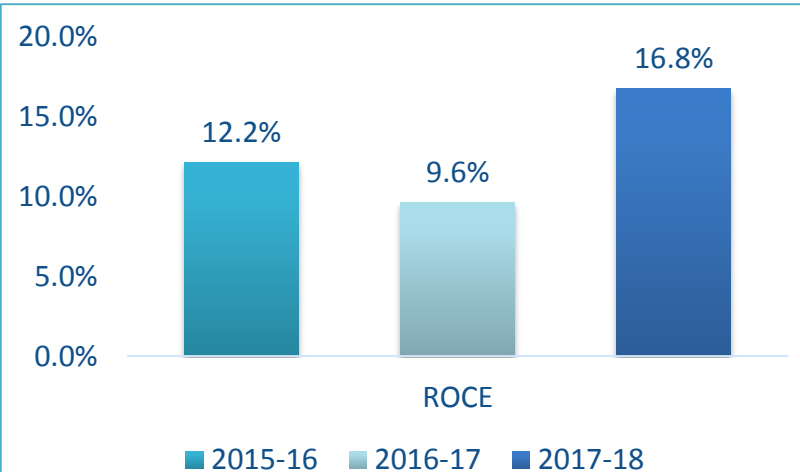
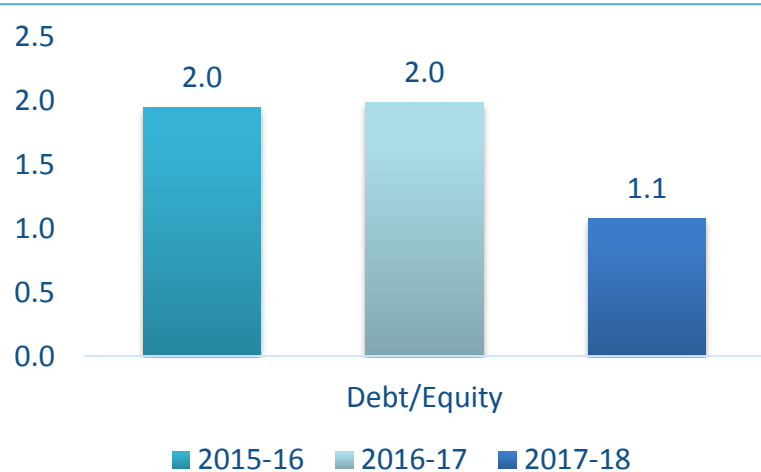
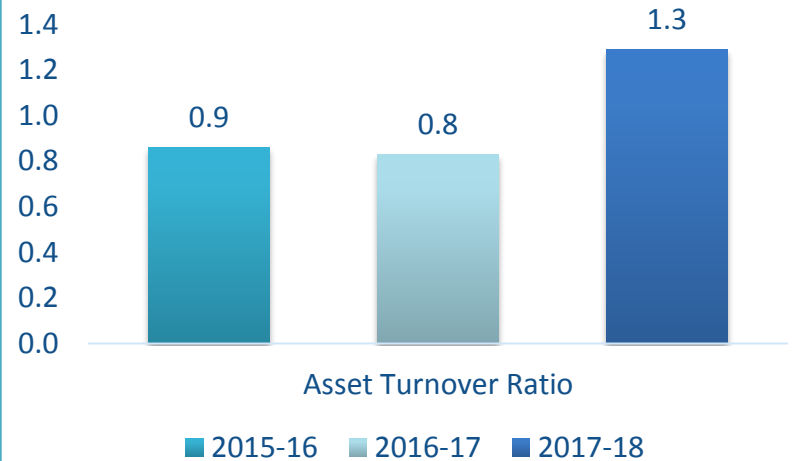
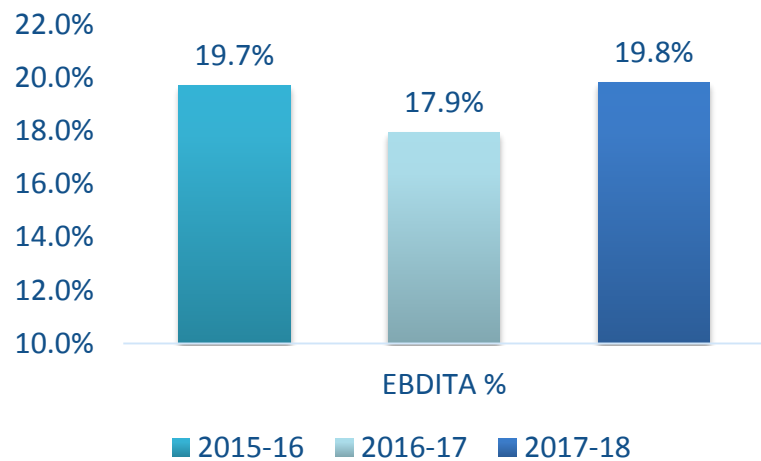
Particulars	Q1FY19	Q4FY18	Q1FY18
Total Tonnage (in Tons)	33036	35812	23010
Domestic Tonnage	25961	28297	15345
Export Tonnage	7075	7515	7665
Total Net Revenue (INR, Crs)	411.05	440.95	259.93
Domestic Operating Revenue	305.92	328.31	154.75
Export Revenue	104.55	111.80	103.42
Other Income	0.58	0.84	1.76

INR, Crs

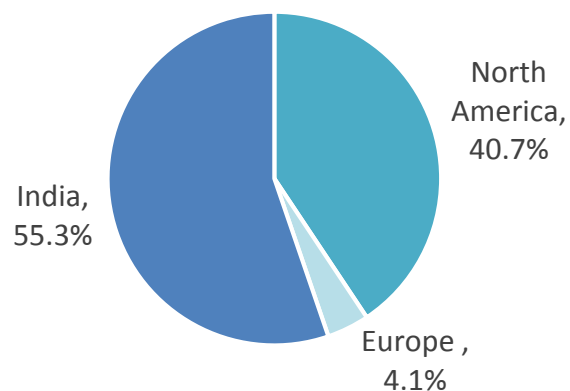
Particulars	FY17-18				FY 16-17			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Revenue from Operations (TOI)	440.11	398.97	338.22	258.17	280.98	212.12	155.69	217.45
EBIDTA (excl. other Income)	91.65	76.83	65.61	50.14	46.56	40.58	27.16	42.62
EBDITA/TOI (%)	20.82	19.26	19.40	19.42	16.57	19.13	17.45	19.60
Interest	17.70	14.59	18.99	18.54	18.22	20.79	17.68	18.29
Depreciation	24.61	20.50	19.83	19.46	19.13	18.93	18.62	18.05
PBT	50.18	42.69	27.44	13.90	15.50	1.08	(7.38)	7.07
PAT	34.32	27.73	23.53	9.08	8.68	1.96	(4.99)	5.28

Particulars	FY17-18				FY16-17			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
EBIDTA/TOI (%)	20.82	19.26	19.40	19.42	16.57	19.13	17.45	19.60
Interest Cover Ratio	5.18	5.27	3.46	2.70	2.56	1.95	1.54	2.33
PBT/TOI (%)	11.40	10.70	8.11	5.38	5.52	0.51	(4.74)	3.25
PAT/TOI (%)	7.80	6.95	6.96	3.52	3.09	0.92	(3.21)	2.43

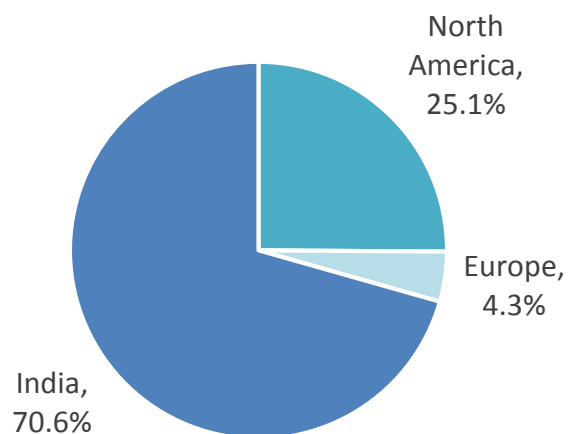
Particulars	FY17-18		FY16-17	
	H2	H1	H2	H1
RONW (%)	12.47	9.07	2.33	0.12
ROCE (%)	16.75	13.74	9.64	7.18
Debt/EBIDTA	2.90	3.81	5.93	6.61
Long Term Debt/Net Worth	0.51	0.53	0.90	0.93
Total Debt/Net Worth	1.08	1.23	1.99	1.96
TOL/TNW	1.65	1.60	2.86	2.59
Fixed Assets Coverage ratio	2.32	2.14	2.11	1.96



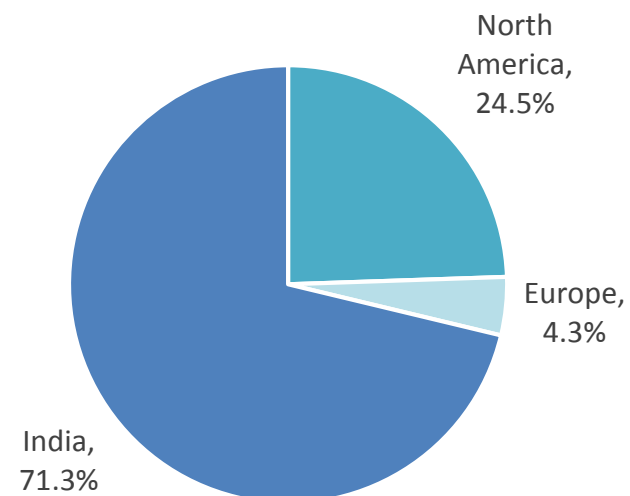
FY15-16 | Sales



FY16-17 | Sales



FY17-18 | Sales



RKFL has entered into a multiyear long-term agreement with a Leading European CV OEM with expected annual revenues of EUR 4 Million. Samples have already been sent for approval



Segment	2017-18 (%)	2016-17 (%)	2015-16 (%)
Automotive	57.0	54.5	39.6
Railways	2.0	4.3	4.3
Mining	2.6	3.6	3.1
Exports	30.0	30.9	47.4
Others (incl. scrap)	8.3	6.7	5.6

At RKFL, our aim is to achieve the Zero Harm Culture

To make our Zero Harm Culture easy to understand for everyone, it's based on three simple principles. The first is the strong belief that zero incidents is achievable. The second is that there's never a reason to compromise on health and safety. The third is "We take care of each other." These three principles set clear expectations for our employees as well as our contractors at our all plants and offices. In addition to reaching hearts and minds and teaching basic principles, there's more involved in ensuring the full implementation of a safety culture. Another crucial factor is that living safely starts with the leadership – beginning with the Managing Board.

Managers who want to be credible and be accepted by their team have to lead by example. It's also important that every manager praises laudable behaviour's and calls out unsafe or noncompliant behaviour. That's why we will be introducing a measure we call "Safety Walk and Talks" that will be mandatory for our management team. Plant Heads needs to regularly talk with people on- floor and check to see if safety is ensured. Managers who fail to meet a safety commitment over the long term suffer the consequences. Managers at all levels are being asked to openly express their appreciation of those who put our Zero Harm Culture principles into practice, and employees who've made an extraordinary effort are publicly praised

RKFL loss time injury frequency rate is NIL

Name	Designation	Brief Background & Experience
Mr. Mahabir Prasad Jalan	Chairman	- Completed his graduation in Mechanical Engineering from BITS, Pilani - More than 4 decades of work experience in Forgings sector having started his Career from the shop floor - Started Ramkrishna Forgings in 1981 and leading the organisation
Mr. Naresh Jalan	Managing Director	- More than 2 decades of experience in Forging industry - Dynamic leadership and vision has helped company achieve significant growth
Mr. Pawan Kumar Kedia	Director (Finance)	- Bachelor in Commerce and a diploma holder in Taxation - Possesses experience of more than 2 decades in accounting & taxation.
Mr. Padam Kumar Khaitan	Independent Director	- An Attorney-at-law - Has experience of more than 3 decades in the legal profession - Currently he is one of the leading Partner of M/s. Khaitan & Co.
Mr. Ram Tawakya Singh	Independent Director	- B.Sc. Engg in Metallurgy from RIT Jamshedpur - Forging experience of more than 5 decades in various companies - During his tenure he rose to the level of VP in TATA Motors. He helped the company to reduce cost and improve plant Productivity
Mr. Sandipan Chakravorty	Independent Director	- B.tech and M.tech from IIT Kharagpur - Had been associated with TATA group Companies for more than 4 decades. - Has wide experience in materials management, mines and minerals, steel business – especially commercial activities, steel value added supply chain business, logistics, etc.
Mr. Partha Sarathi Bhattacharyya	Independent Director	- M.Sc (Physics), FICMA - Ex- Chairman, Coal India Ltd (CIL) - Steered CIL through Miniratna (2007), Navratna (2008) and finally Maharatna (2011) - Spearheaded the historic 10% stake sale thru IPO in 2010 - the largest so far in Indian Capital Market fetching Rs.15,200 crores for GOI. Post retirement, had a brief 15 month stint as MD of Haldia Petrochem till June 2012
Mr. Amitabha Guha	Independent Director	- M.Sc. Physics - Has been a banker throughout his life. Rose to level of Deputy Managing Director, SBI - Was also the Non- Executive Chairman, South Indian Bank
Mr. Yudhisthir Lal Madan	Independent Director	- MBA (Finance), M.Sc. (Physics) and a CAIIB from Institute of Bankers, Mumbai - Retired banker with more than 3 decades of rich and varied experience in the field of General Banking, with expertise in Corporate finance, Retail finance, SME lending, Risk management with focus on Credit monitoring, etc.
Ms. Aditi Bagri	Independent Director	- A LLB holder and a Diploma in IPR from Mumbai University - Has more than 1 decade of experience in the legal field - Currently associated with M/s. Khaitan & Co

Auditors

Statutory Auditor

S.R. Batliboi & Co. LLP
(a member of Ernst & Young)

Internal Auditor

CELEBRATING
7 YEARS
Singhi & Co.
Chartered Accountants

Bankers

Standard
Chartered

DBS

ICICI Bank

IFC
International
Finance
Corporation
WORLD BANK GROUP

HDFC BANK

YES BANK



State Bank of India

KVB Karur Vysya Bank
Smart way to bank

AXIS BANK

एक्झिम बँक
EXIM BANK
भारतीय निर्यात-आयात बैंक
EXPORT-IMPORT BANK OF INDIA

IDBI BANK

kotak
Kotak Mahindra Bank

IDFC BANK

DCB BANK

RBL BANK

LB BW

IndusInd Bank

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