



Q3 & 9M FY23 Earnings Release

January 20, 2023

RAMKRISHNA FORGINGS LIMITED REPORTS ANOTHER QUARTER OF CONSISTENT GROWTH WITH REVENUE UP 24% & PAT UP 28% YoY

Ramkrishna Forgings Limited (BSE: 532527, NSE: RKFORGE), one of the leading suppliers of rolled, forged, and machined products, has reported its unaudited financial results for the quarter and half year ended 31st December 2022.

STANDALONE Q3-FY23 FINANCIAL HIGHLIGHTS

Total Income

Rs 75,231 Lakhs

+24%
YoY

EBITDA

Rs 16,628 Lakhs

+19%
YoY

PAT

Rs 5,757 Lakhs

+28%
YoY

In Rs Cr	Q3FY23	Q3FY22	Y-o-Y change	9MFY23	9MFY22	Y-o-Y change
Total Income	75,231	60,605	24%	216,560	160,213	35%
EBITDA	16,628	14,021	19%	48,003	37,471	28%
EBITDA Margin	22.1%	23.1%	(100) bps	22.2%	23.4%	(120) bps
PAT	5,757	4,512	28%	16,877	11,985	41%
PAT Margin	7.7%	7.4%	30 bps	7.8%	7.5%	30 bps

Operational Highlights

- As of December 31st, 2022, 8 contracts totaling Rs. 77,470 Lakhs had been won from various geographies and business verticals
- Capacity utilisation has improved quarter after quarter.
 - Overall capacity utilization was 86% for Q3FY23, 82% in Q2FY23 and 73% in Q3FY22
- Declared 3rd Interim dividend of Rs. 0.50 per share.

Domestic Markets

- In Q3 FY23, sales volume was 20,842 MT, representing a YoY increase of 8.7%. In 9M FY23, sales volume was 62,099 MT, representing a YoY increase of 31.6% over 9M FY22
- Revenue grew by 22.3% in Q3 FY23 to Rs. 41,911 Lakhs as compared to Q3 FY22. Revenue grew by 52.4% on YoY basis in 9MFY23 to Rs. 125,462 Lakhs

- Realization per ton improved by 8.8% to Rs. 1.90 lakhs per ton in Q3 FY23 as compared to Rs. 1.75 lakhs per ton in Q3 FY22 and improved by 11.3% to Rs. 1.94 lakhs per MT in 9M FY23 as against Rs. 1.74 lakhs per ton in 9M FY22

Exports Markets

- In Q3FY23, sales volume was 12,548 MT, representing a YoY increase of 21.3% over Q3FY22. In 9MFY23, sales volume was 33,967 MT, representing a YoY increase of 4.5% over 9MFY22.
- Revenue grew by 25.9% in Q3 FY23 to Rs. 32,691 Lakhs as compared to Q3 FY22. Revenue grew by 16.8% on YoY basis in 9MFY23 to Rs. 89,539 Lakhs
- Realization per ton improved by 7% to Rs. 2.43 Lakhs per ton in Q3 FY23 as compared to Rs. 2.27 per ton in Q3 FY22 and improved by 10.9% to Rs. 2.46 Lakhs per ton in 9MFY23 as against Rs. 2.22 lakhs per ton in 9MFY22

Acquisitions

- During the quarter, we have entered into a share purchase agreement to acquire upto 51% voting rights of TSUYO Manufacturing Private Limited, a start-up company engaged in powertrain solutions for electric vehicles.
- Resolution plan to acquire JMT Auto, one of the largest Auto component manufacturers in the Eastern region having significant expertise in the auto sector, has been approved by the Committee of Creditors. This acquisition is subject to obtaining necessary approval from the Principal Bench of the National Company Law Tribunal, New Delhi.

Commenting on the results Mr. Naresh Jalan, Managing Director, Ramkrishna Forgings Limited

said: "Our diverse and robust business model has led to a sustained growth momentum, primarily driven by our strategic decision to enhance product offering coupled with high customer demand. These efforts have enabled us to achieve a 24% increase in operating revenues year-over-year. Our global geographical outreach helped us to secure new orders and further strengthen the order book. In the first nine months of FY23, we won contracts worth Rs. 77,470 lakhs from 8 contracts spanning various geographies including North America & Europe.

As of December 31, 2022, we have reduced our gross debt by 23% and it currently stands at Rs. 1,28,689 lakhs. We will continue to focus on reducing debt with the goal to become net debt-free by FY25.

The commercial vehicle segment has seen steady growth following the festive season, due to high utilization of fleets resulting from increased economic and infrastructure activity. The momentum is expected to continue, and the overall commercial vehicle market is predicted to remain strong. Also, with the acquisition of Tsuyo & JMT Auto, we plan to expand and diversify our Company, resulting in increased scale and market reach. Our efforts are focused on customer-centric approach to offer advanced and value-added products across the globe and maintain our strong market share."

About Ramkrishna Forgings Limited

Ramkrishna Forgings was incorporated in 1981 with the objective to manufacture forged products. The Annualized installed capacity after commissioning of Hollow Spindle Line, a new 7000 Ton Press Line, a 2000 Ton warm/hot Forming Press and a fabrication facility is 187,100 MT. headquartered at Kolkata, the company has state-of-the-art manufacturing facilities at Jamshedpur along with offices at Detroit in USA, Toluca and Monterrey in Mexico, Istanbul in Turkey having warehousing facilities at Hagerstown, Louisville, Detroit in USA, Toluca, Monterrey in Mexico and Westerloo in Belgium. Over the years, the company increased its forging and die-making capacities and added machining and heat treatment facilities, including isothermal annealing, which enabled it to undertake manufacturing of components for OEMs and Tier 1 companies, The Company is certified in terms of TS 16949, OSHAS 18001 and ISO 14001 and is a manufacturer & supplier of closed die forgings of carbon and alloy steel, micro alloy steel and stainless steel forgings which can be supplied in As Forged + Heat Treated + Machined and Fully assembled condition as per the customer's requirement.

The Company is suppliers to various sectors like Automotive, Railways, Farm Equipment, Bearings, Oil & Gas, Power and Construction, Earth Moving & Mining, both in India & overseas markets. The Company is a critical safety item supplier for undercarriage, Bogie & Shell parts for railway passenger coaches and locomotives. It is a preferred supplier to OEMs like TATA Motors, Ashok Leyland, VE Commercial and Daimler in India and to Volvo, Mack Trucks, Iveco, DAF, Scania, MAN, UD Trucks and Ford otosan in the overseas markets. It supplies globally to Tier 1 axle manufacturers like Dana, Meritor and American Axles.

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For further information, please connect with us:

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