

## Rolex Rings Limited

*Corporate Presentation &  
Update on earnings for Q2FY22*

---



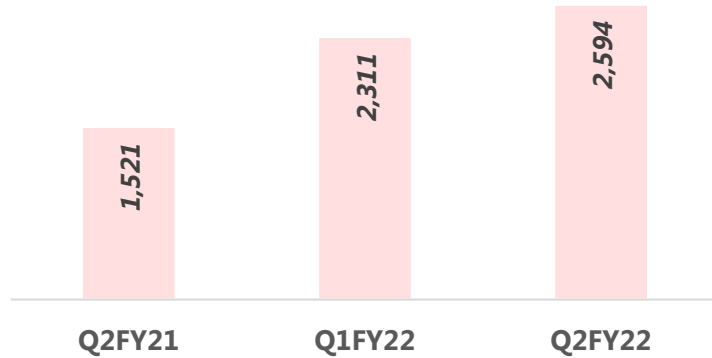
*This presentation and the accompanying slides (the "Presentation"), which have been prepared by Rolex Rings Ltd (the "Company"), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company. This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded. Certain matters discussed in this Presentation may contain statements regarding the Company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections*

# Q2 FY22 financials and business developments

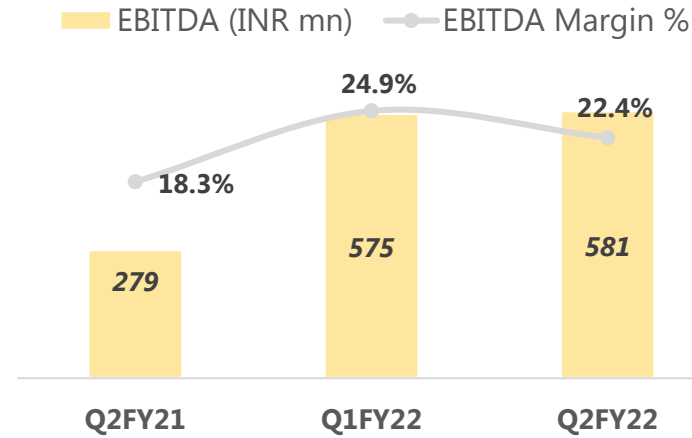
---

# Financial Performance - Quarterly

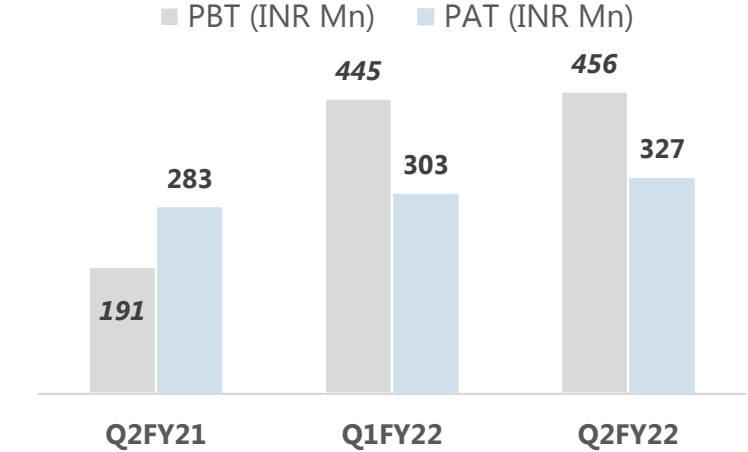
## Total Income (₹ mn)



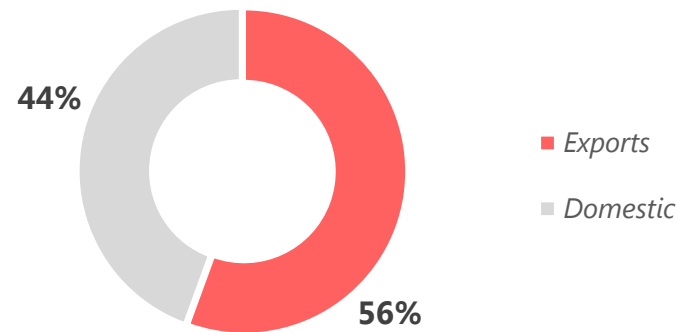
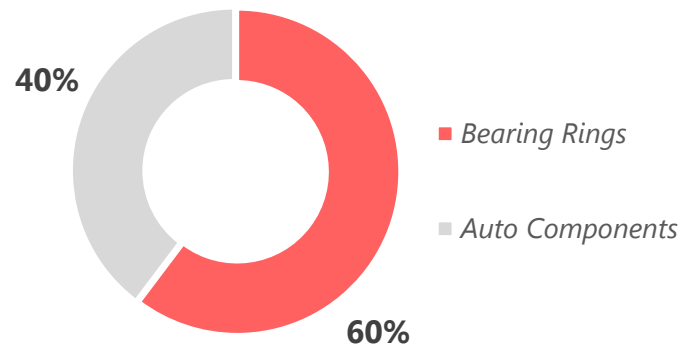
## EBITDA and margins



## PBT/ PAT (₹ mn)



## Revenues from Operations (excluding scrap) for Q2 FY22

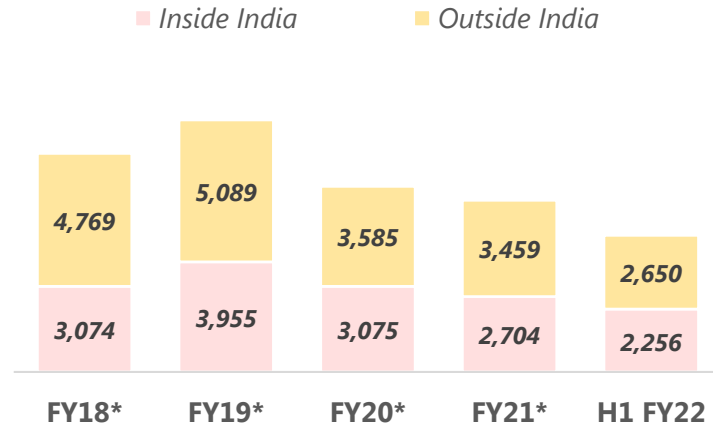


- Continued momentum in business;
- Exports revenues partially impacted by chip shortage delaying schedules in auto-component segment and logistics related challenges;
- Raw material inflation impacted margins due to lag effect of price adjustments;
- Margins were also impacted by ~INR 32mn on account of IndAS adjustment towards redemption of NCRPS;
- We expect commissioning of 4.2MW in ground mounted solar by end of CY21 and are planning to commission additional 12MW in ground mounted solar by June 2022;

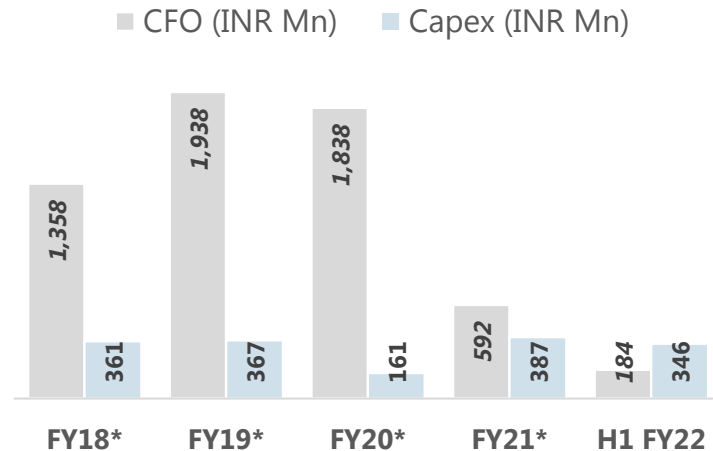
# Rolex continues to maintain growth momentum with focus on margins and strengthening balance sheet



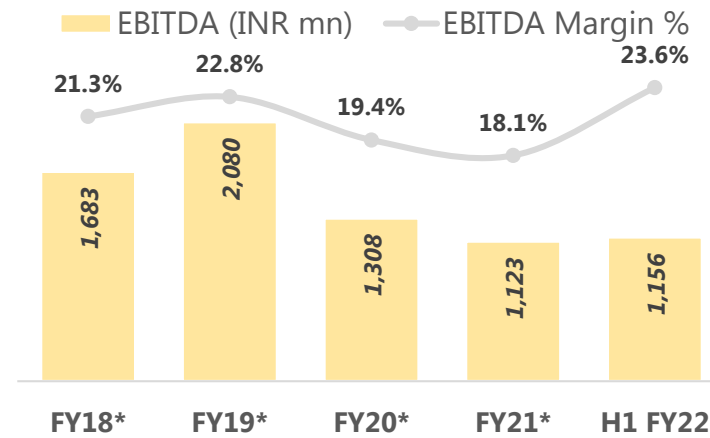
## Total Income (₹ mn)



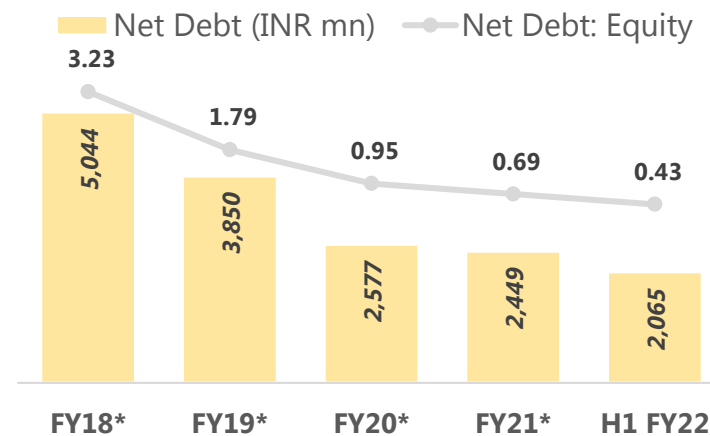
## Operating Cash Flows & Capex (₹ mn)



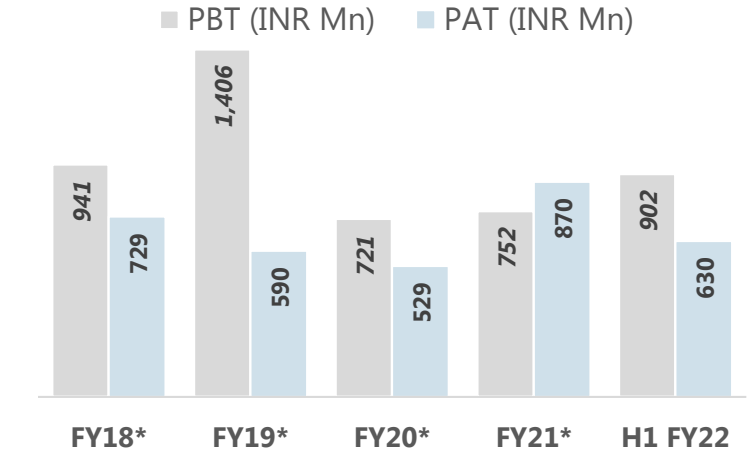
## EBITDA and margins



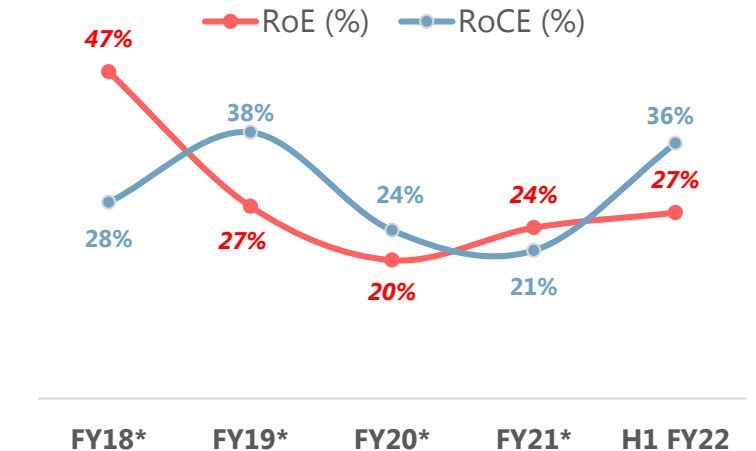
## Net Debt (₹ mn) and Net Debt: Equity



## PBT/ PAT (₹ mn)



## RoE/ RoCE (₹ mn)



# Statement of Profit and Loss

Particulars (₹ mn)	Q2FY22	Q4FY21	Q-o-Q %	Q2FY21	Y-o-Y %
<b>Income</b>					
Revenue from operations	2,585	2,274		1,514	
Other income	9	37		7	
<b>Total income (I)</b>	<b>2,594</b>	<b>2,311</b>	<b>12%</b>	<b>1,521</b>	<b>71%</b>
<b>Expenses</b>					
Cost of raw materials and components consumed	1,325	1,094		830	
Decrease/ (increase) in inventories of finished goods and work-in progress	(124)	(63)		(161)	
Employee benefits expense	155	143		132	
Finance costs	61	67		24	
Depreciation and amortization expense	64	63		63	
Other expenses	658	562		441	
<b>Total expenses (II)</b>	<b>2,138</b>	<b>1,866</b>		<b>1,329</b>	
<b>Profit before tax (III) = (I - II)</b>	<b>456</b>	<b>445</b>	<b>2%</b>	<b>191</b>	<b>138%</b>
<b>Tax expense</b>					
Current tax expenses	152	154		27	
Deferred tax charge / (Credit)	(22)	(11)		(119)	
<b>Total tax expense (IV)</b>	<b>129</b>	<b>142</b>		<b>(91)</b>	
<b>Profit for the period (V) = (III - IV)</b>	<b>327</b>	<b>303</b>	<b>8%</b>	<b>283</b>	<b>16%</b>



# Balance Sheet - Snapshot

Particulars (₹ mn)	H1FY22	FY21	FY20	FY19
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant, and equipment	3,755	3,714	3,730	3,808
Capital work in progress	221	12	-	10
Right-of-use assets	0	1	1	1
Intangible assets	9	9	12	14
Financial assets				
a) Loans	-	-	25	33
b) Other financial assets	79	140	34	125
Income tax assets (net)	20	20	20	20
Other non-current assets	219	288	111	131
<b>Current assets</b>				
Inventories	2,217	1,711	1,306	1,602
Financial assets				
a) Loans	1	1	31	1
b) Trade receivables	1,859	1,708	1,277	1,815
c) Cash and cash equivalents	31	46	12	1
d) Bank balances other than Cash and cash equivalents	156	58	152	45
e) Other financial assets	194	68	60	102
Other current assets	165	195	92	113
<b>Total assets</b>	<b>8,926</b>	<b>7,969</b>	<b>6,862</b>	<b>7,823</b>

Particulars (₹ mn)	H1FY22	FY21	FY20	FY19
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital	272	240	240	240
Other equity	4,482	3,328	2,441	1,914
<b>Total equity</b>	<b>4,755</b>	<b>3,567</b>	<b>2,681</b>	<b>2,153</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
a) Borrowings	246	323	442	913
b) Lease liabilities	1	1	1	1
Income tax liabilities (net)	179	179	179	171
Deferred tax liabilities (net)	439	324	569	506
Provisions	29	31	31	23
<b>Current liabilities</b>				
Financial Liabilities				
a) Borrowings	2,007	1,836	1,939	2,343
b) Lease liabilities	0	0	0	0
c) Trade payables	1,156	1,176	738	913
d) Other financial liabilities	55	434	261	671
Other liabilities	12	15	8	13
Provisions	8	7	7	7
Income tax liabilities (net)	41	75	3	107
<b>Total liabilities</b>	<b>4,171</b>	<b>4,402</b>	<b>4,181</b>	<b>5,669</b>
<b>Total equity and liabilities</b>	<b>8,926</b>	<b>7,969</b>	<b>6,862</b>	<b>7,823</b>

# About our Company

---



## Market Leadership Position

**4.7 Mn MTPA**

Installed forging capacity of India's forging industry

**5<sup>th</sup> largest**

Forging capacity in India

**60 customers**

across 17 countries

**One of the key supplier**

of Bearing Rings in India and supplier to most of the leading bearing companies

**Tier-I supplier**

to global auto companies and some auto OEMs across segments including 2W, PV, CV, OHV & EV

## Manufacturing Capabilities

**33+**

Years of experience

**22**

Forging lines with a Combined installed capacity of

**1,44,750**

tonnes per annum

**528**

Spindles with a Combined installed capacity of

**69 Million**

Parts per annum

Manufacturing infrastructure includes combination of high-speed hot formers from **Sakamura & Hatebur.**

Existing Machine lines consist of spindles from **DMG, FUJI, ACE, TSUGAMI, Hyundai, Mazak, Muratec**

## Diverse Product Portfolio

### Bearing Rings



Product Portfolio suitable for a **wide range of end-user industries** such as **automotive (PV, CV, 2W, 3W, tractor), railways, industrial infrastructure, renewable energy etc**

### Automotive Components



## Well Qualified & Accredited Team

**1,815**

Full-time employees

**654**

Contractual employees

- Founders with experience of over 40 years
- Supported by professional management team with capabilities across various domains
- Award received for **new product development**



X 3

**TIMKEN**



X 4



X 1



X 1



## Robust Financial Performance

**₹ 6,163 mn**

Revenue from operations (FY21)

**~55%**

Revenue from Exports (H1FY22)

**₹ 1,123 mn**

EBITDA (FY21)

**26.50%**

RONW (H1FY22)\*

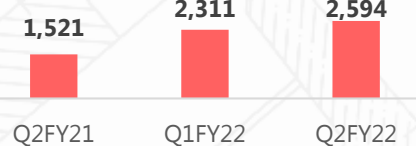
**₹ 870 mn**

PAT (FY21)

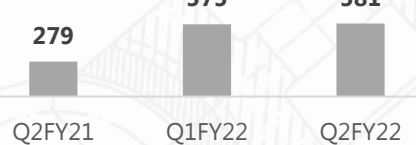
**36.41%**

ROCE (H1FY22)\*

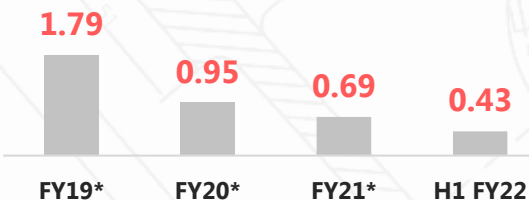
Revenue (INR mn)



EBITDA (INR mn)



Net Debt to Equity (x)



### Revenue Contribution

■ Bearing Rings ■ Automotive



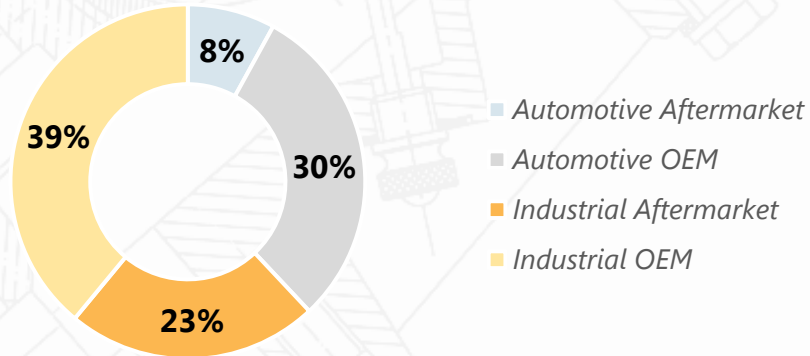
# Bearings industry | \$50bn sector globally, with India expected to show robust growth

## Global bearing industry

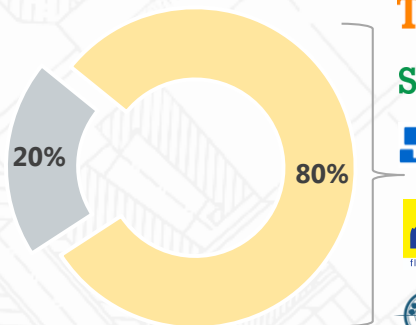
**\$50bn**

Size of the Global Bearings Market (CY2019)

Global Split by Segment (%)



~80% of domestic market share with #5 players



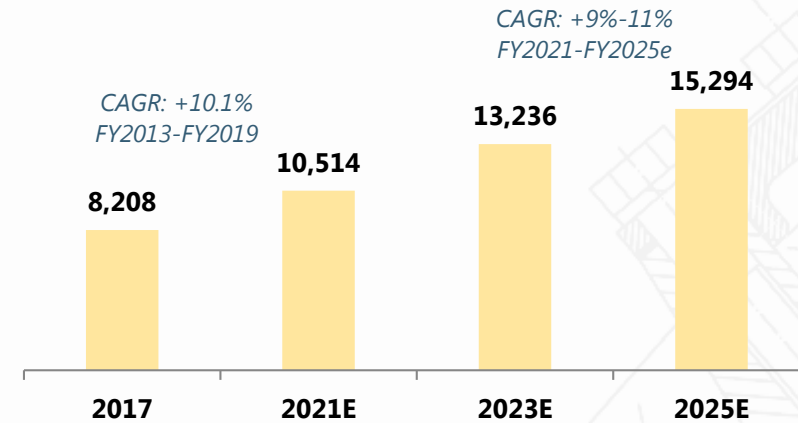
Others Top 5 Players (%)



**ROLEX**  
ROLLED RINGS  
supplies to most of the leading bearing manufacturers domestically

## Indian bearings industry is expected to show healthy growth going forward

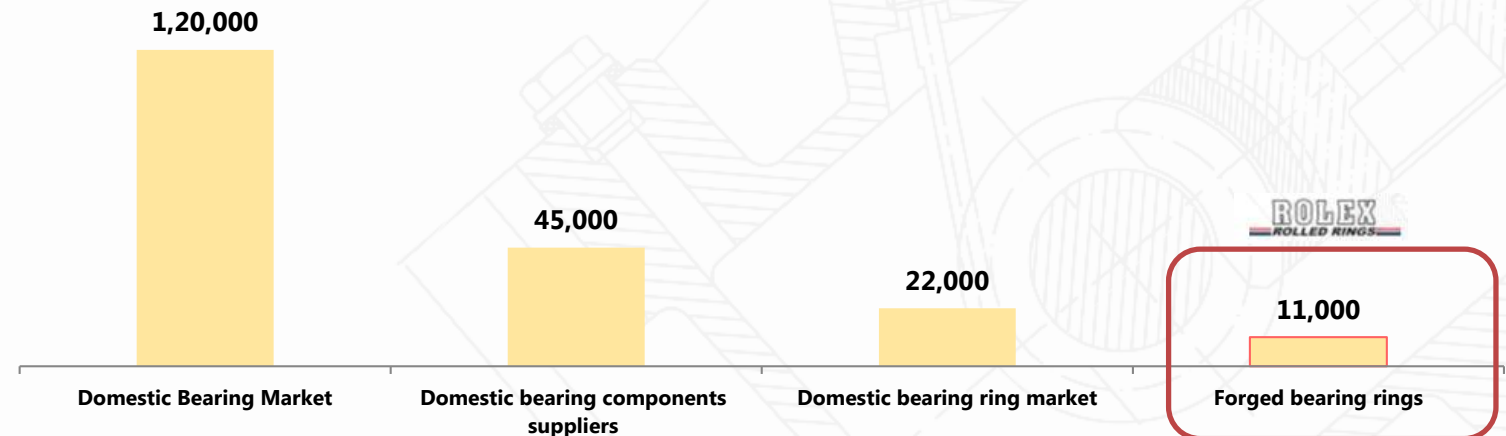
Domestic Bearings Market (₹ Cr)



- Increasing localization in Indian bearings industry (currently 40% imports), will help domestic suppliers of components for bearings;
- Demand for domestic bearing components (**rollers, rings**) is **expected to grow at a faster rate (~CAGR of 10-12%)** than the underlying bearings industry

## Domestic market for forged bearing rings is ~ ₹ 11,000mn

₹ mn



# Comprehensive product portfolio | across bearing rings and Automotive components



## Bearing Rings

### One of the key manufacturers

of Bearing Rings in India focused on Hot Rolled and machined bearing rings

### Customers

Caters to most leading bearing companies in India;

**TIMKEN**

**SKF**

**SCHAEFFLER**



### Comprehensive product range

Till date, Rolex Rings has offered a diverse range of hot forged and machined alloy steel bearing rings



### Suitable for wide range of end-user industries

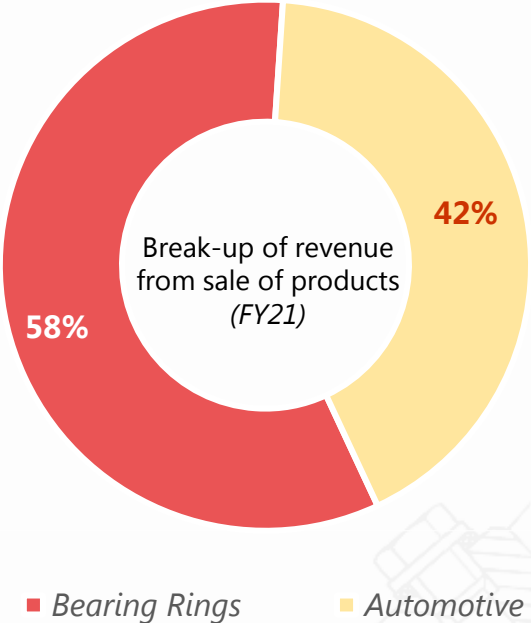
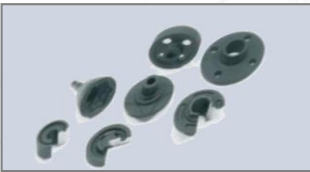
Suitable for Automotive, railways, industrial infrastructure, renewable energy, among others

### Capabilities to cater to large rings requirements

Higher value-added products with relatively lower competitive intensity

## Automotive Components

**Product portfolio includes**  
wheel hubs, shafts and spindles and gears amongst others



**Customers**  
Tier-I suppliers to global auto OEMs across segments including 2W,PV, CV, OHV and EV

**Product Portfolio includes a wide range of bearing rings, parts of gear box and automotive components**



## Locational advantage to serve marquee clientele



Proximity to key customers



Key Ports



Key Cities



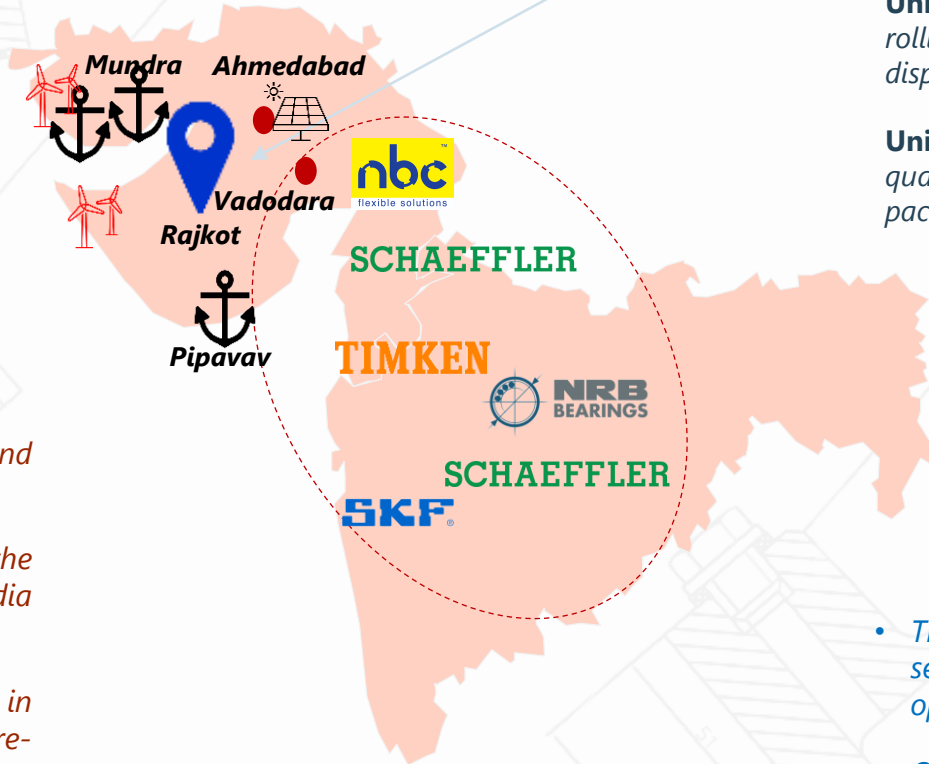
Upcoming solar project  
(Taluka Muli, Gujarat)



Windmills

(present across 3 locations in Gujarat)

- Rajkot is ~250 km from Mundra and Pipavav ports and 700 km from Mumbai port
- Location at Rajkot helps the Company cater to access the various automotive clusters in North India, West India and South India
- Leverage the presence of smaller machining units in Rajkot which the company opportunistically uses for pre-machining;
- Presence of trained manpower



Gujarat & Maharashtra



## 3 Manufacturing Units at Rajkot, Gujarat

**Unit 1 :** Forging, Heat Treatment and Shot Blasting

**Unit 2 :** Forging, Heat Treatment, Shot blasting, cold rolling, Machining, Quality control & testing, Packing and dispatch

**Unit 3 :** Tool & die making, shot blasting, machining, quality control and testing, finished good warehouse , packing and dispatch

- The company owns parcels of land for the purposes of setting up a solar plant at Taluka Muli (Gujarat) and for operation of windmills at Taluka Vanku (Gujarat)
- Operational windmills are situated at Bhogat and Lamba sites (Gujarat)

## 3 manufacturing units located at Rajkot, with integrated forging, machining and heat treatment facilities

### Investments in Renewable energy to help keep power cost in check

Windmills with an installed capacity of 8.75 MW; solar with an installed capacity of 1.58MW; in the process of expanding solar capacity by ~16 MW



### Unutilized land area which will help future expansion

Unutilized land area of 32,071.44 square metres at Rajkot and 691,312 square metres of land in Taluka Gondal (Gujarat).

#### Forging Infrastructure

- 22 forging lines. Combined installed capacity of **1,44,750 MTPA**
- Includes high-speed hot formers from **Sakamura** and **Hatebur**; vertical forging lines from **Manyo**, **Mistubishi**, **SMS Meer**, **Enomoto** and **Eumoco** and conventional forging lines integrated with induction heating furnaces



HM 75XL



HBP 120 SS



HM 35

#### Machining Infrastructure

- **528 spindles** with a combined installed capacity of **69 million parts per annum**
- Machines sourced from global manufacturers like **DMG**, **FUJI**, **ACE**, **TSUGAMI**, **Hyundai**, **Mazak**, **Muratec** and domestic CNC turning machines

Machining Capabilities



#### In-house tool making

- **In-house tool making done** through CNC machine programming with relevant 2D drawing, 3D model & other machines



Tool Design Room

# Robust forging infrastructure in place

## Details of forging lines including capacity and utilization

Sr. No.	Category	Line	No. of Lines	Achievable Annual Capacity	% of total utilization		
				As at March 31, 2021	Fiscal 2019	Fiscal 2020	Fiscal 2021
1	Conventional	Conventional	6	11,250	64.77%	41.23%	42.01%
2	Vertical Forging Lines	SMS-MEER	1	9,000	26.03%	36.84%	31.87%
3		Enomoto Press	1	6,250		6.40%	24.99%
4		Eumoco	1	2,250			9.78%
5		Manyo	6	25,000	60.55%	43.76%	33.91%
6		Mitshubishi	2	8,750	52.77%	40.67%	37.86%
7	High-Speed Hot Formers	Sakamura 160 Hot Former High Speed	1	17,500	45.61%	22.40%	32.53%
8		Sakamura 120 Hot Former High Speed	1	12,500	65.73%	39.79%	48.90%
9		Hatebur-HM75 Hot Former High Speed	1	18,750	47.42%	29.85%	32.54%
10		Hatebur-HM35 Hot Former High Speed	1	12,500	52.24%	37.54%	35.68%
11		Sakamura HFW-1000	1	18,750	38.46%	15.46%	26.28%
Total			22	144,750	50.01%	32.92%	33.48%



Hatebur HM 75XL



Sakamura HBP 120 SS



Sakamura HBP 160



Sakamura HFW 1000



Hatebur HM 35



Mitsubishi MRX – 300 & 400



Manyo Forging Press



# Manufacturing units equipped with end-to-end capabilities to ensure quality control

## Engineering, design and procurement

### Engineering, design, tooling and die-making

- Converts customer designs, drawings and inputs into actionable part drawings, cost estimates, process parameters, monitoring protocols, production simulation, trial runs, sample preparation;
- Tool making is done through CNC machine programming with relevant 2D drawing, 3D model and other machines

### Raw material procurement

- Raw material – sourced from customer approved vendors
- In most customer contracts, raw material costs are pass through to the client

## Manufacturing process

### Forging

- Diversified forging infrastructure converts steel rods into rings/ gear blanks/ other shapes as required
- High-speed hot formers are best suited for high volume precision components while vertical forging lines are ideally suited for medium as well as lower volume production

### Heat treatment

- Heat treatment provide the proper hardness & wear
- Normalizing, Spheroidize-annealing, Iso-annealing, Hardening and tempering, Case carburizing and Induction hardening

### Cold Rolling

- Components are passed through one or more pairs of rolls to reduce the thickness, increase diameter, to make the thickness uniform, to impart desired mechanical properties and improve yield in manufacturing process

### Machining

- Pre-Machining - forged parts are pre-machined on conventional lathe and manually operated CNC turning centres;
- CNC Turning & Vertical Machining Centres ("VMC") - milling, grooving, facing, threading, drilling, boring etc.

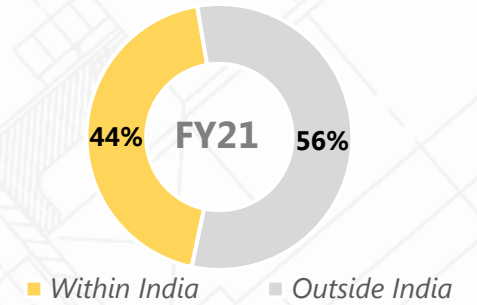
Quality control and testing

# Long standing customer relationships and geographically diversified revenue base

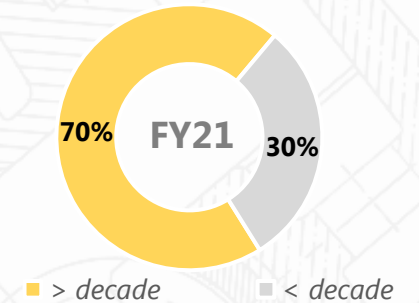
**In FY21, Rolex supplied bearing rings and automotive components to leading domestic & international customers spread across 60 customers in 17 countries**



**Revenue Split**













**Supply relations with Top 10 customers**



- Rolex suppliers to leading bearing manufacturers, Tier-1 & Tier – 2 suppliers and certain auto OEMs
- Rolex has customers across multiple sectors including automobile, industrial machinery, wind turbines & railways;
- In the auto sector, Rolex has customers across all vehicle segments (2W,PV,CV, OHVs & EVs)

# Key awards & certifications

Rolex Rings is widely recognized for its impeccable service & reliability

Year	Awards and Accreditations 	
2021	Q1 Preferred Quality Status - Ford	
2019	Supplier Quality Excellence Award – General Motors	
2018	Excellence in New Product Development – Timken	
2018	Supplier Quality Excellence Award – General Motors	
2016	Excellence in Technology Advancement by Timken powered by VRIDDHI	
2014	Certificate of Supplier Quality for fulfilling the quality assurance compliance by Hyundai Motors India Ltd.	
2014	GM Supplier Quality Excellence Award	
2011	Excellence in Technology – Timken	
2011	Excellence in Cost and Productivity – Timken	



For further information,  
please contact:

**Mr. Hiren Doshi** – Chief Financial Officer  
+91 281 6699 577/ 677  
[info@rolexrings.com](mailto:info@rolexrings.com)