

Rolex Rings Limited

*Corporate presentation and update
on earnings for Q1FY23*



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About our Company

Market Leadership Position

4.7 Mn MTPA

Installed forging capacity of India's forging industry

5th largest

Forging capacity in India

80 customers

across ~20 countries

One of the key supplier

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

Tier-1 supplier

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

Manufacturing Capabilities

34+

Years of experience

22

Forging lines with a Combined installed capacity of

1,44,750

tonnes per annum

532

Spindles with a Combined installed capacity of

70 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



Automotive Components



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

Well Qualified & Accredited Team

1,846

Full-time employees

729

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**



Robust Financial Performance

₹ 10,167 mn

Revenue from operations (FY22)

₹ 2,403 mn

EBITDA (FY22)

₹ 1,319 mn

PAT (FY22)

-58%

Revenue from Exports (FY22)**

-24%

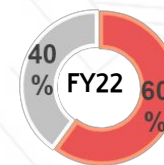
RONW (FY22)*

0.37

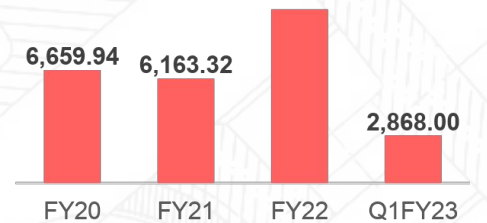
Net Debt: Equity (FY22)*

Revenue Contribution

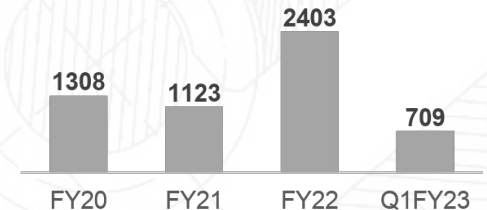
■ Bearing Rings ■ Automotive



Revenue (INR mn)



EBITDA (INR mn)



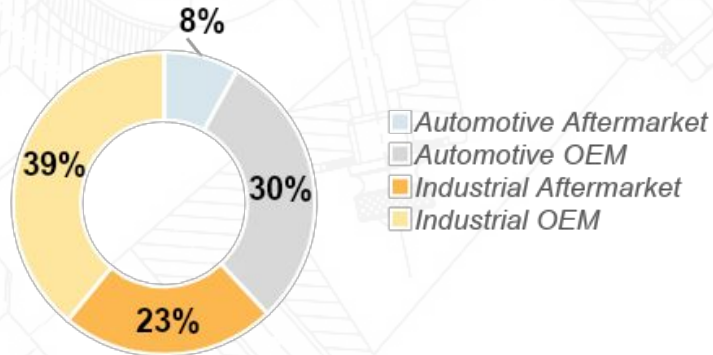
Bearings industry | \$50bn sector globally, with India expected to show robust growth

Global bearing industry

\$50bn

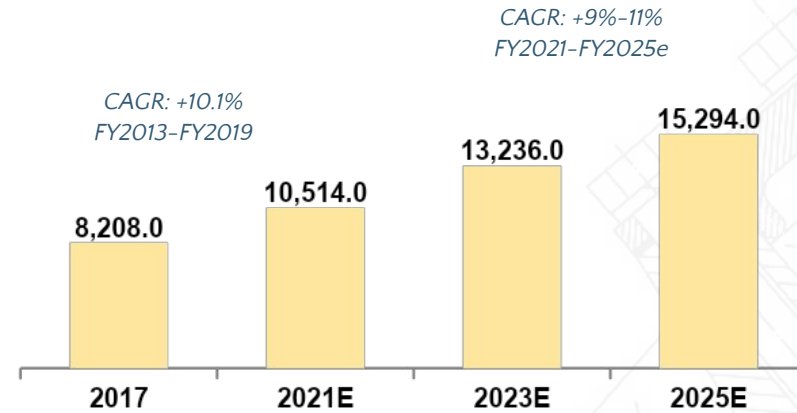
Size of the Global Bearings Market (CY2019)

Global Split by Segment (%)



Indian bearings industry is expected to show healthy growth going forward

Domestic Bearings Market (₹ Cr)

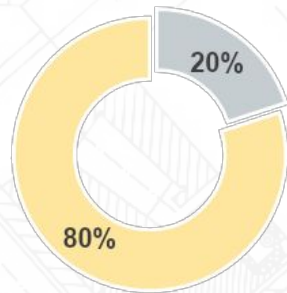
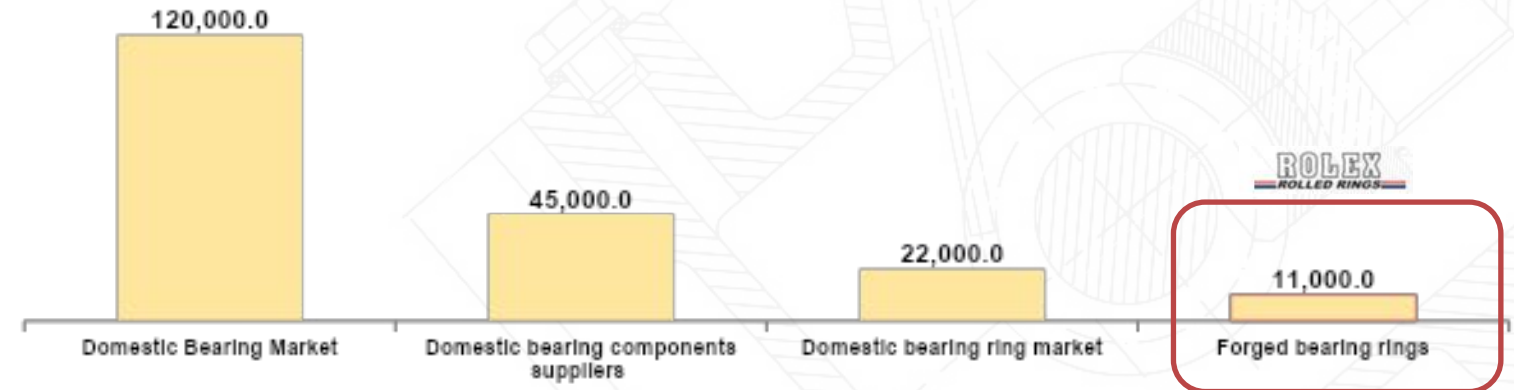


- Increasing localization in Indian bearings industry (currently 40% imports), will help domestic suppliers of components for bearings;
- Demand for domestic bearing components (rollers, rings) is expected to grow at a faster rate (-CAGR of 10-12%) than the underlying bearings industry

-80% of domestic market share with #5 players

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

₹ mn



Others | Top 5 Players (%)

TIMKEN

SCHAEFFLER

SKF

nbc
flexible solutions

NRB BEARINGS

ROLEX ROLLED RINGS

supplies to most of the leading bearing manufacturers domestically

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

NRB BEARINGS

nbc
flexible solutions

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

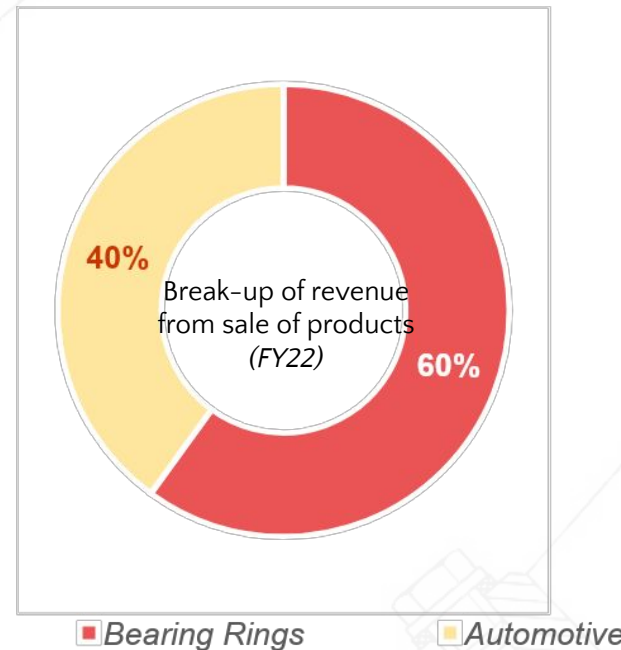
Capabilities to cater to large rings requirements

Higher value-added products with relatively lower competitive intensity

Automotive Components

Product portfolio includes

wheel hubs, shafts and spindles and gears amongst others



Customers

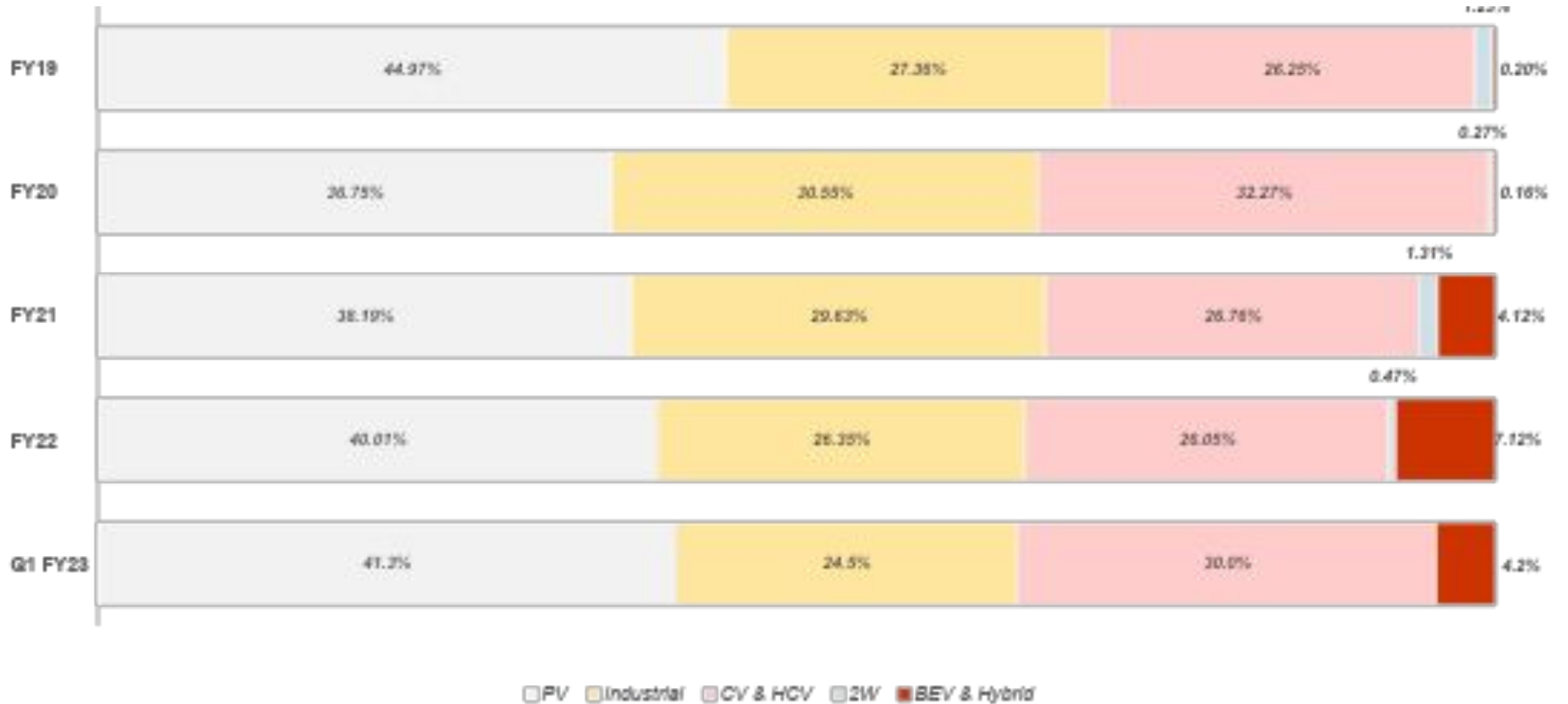
Tier-I suppliers to global auto OEMs across segments including 2W, PV, CV, OHV and EV

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

Revenue mix by end-user industries



Revenues from operations (excluding scrap sales and other operating income)



Locational advantage to serve marquee clientele



Proximity to key customers



Key Ports



Key Cities



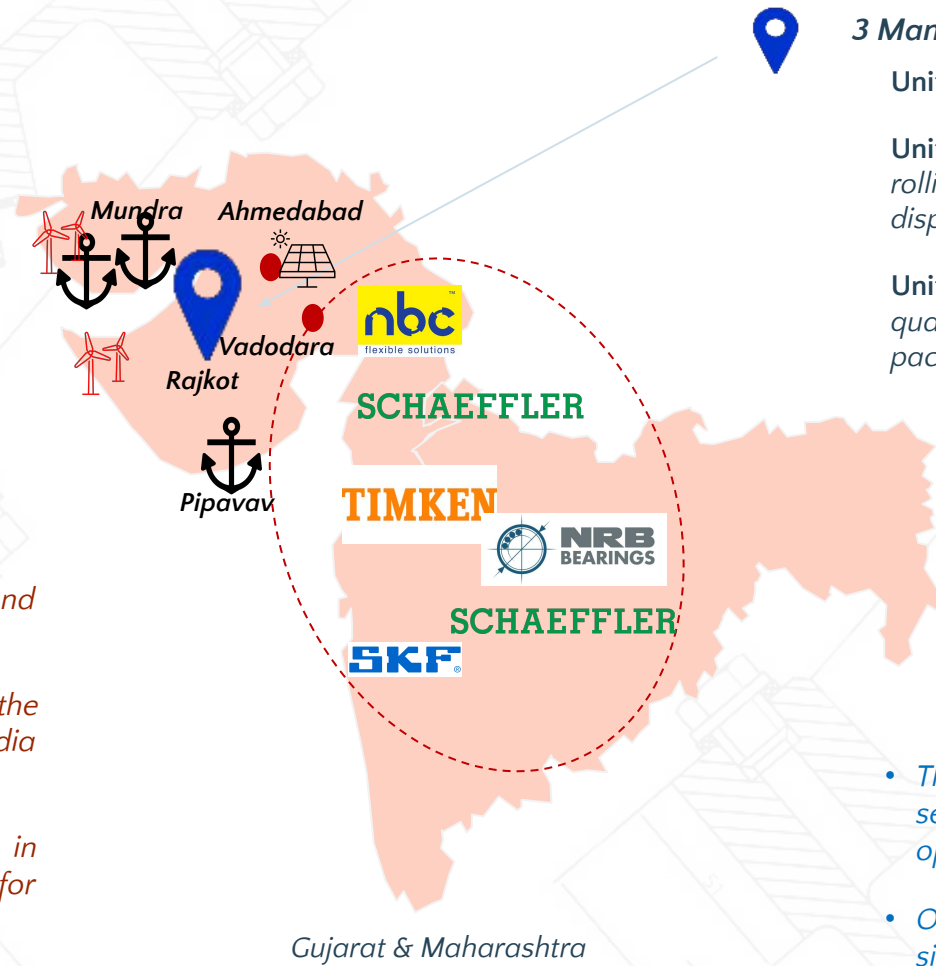
Upcoming solar project
(Taluka Muli, Gujarat)



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



Tool Design Room

In-house tool making

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



Robust forging infrastructure in place

Details of forging lines including capacity and utilization

Sr. No.	Category	Line	No. of Lines	Achievable Annual Capacity
1	Conventional	Conventional	6	11,250
2	Vertical Forging Lines	SMS-MEER	1	9,000
3		Enomoto Press	1	6,250
4		Eumoco	1	2,250
5		Manyo	6	25,000
6		Mitshubishi	2	8,750
7	High-Speed Hot Formers	Sakamura 160 Hot Former High Speed	1	17,500
8		Sakamura 120 Hot Former High Speed	1	12,500
9		Hatebur-HM75 Hot Former High Speed	1	18,750
10		Hatebur-HM35 Hot Former High Speed	1	12,500
11		Sakamura HFW-1000	1	18,750
Total			22	144,750



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.

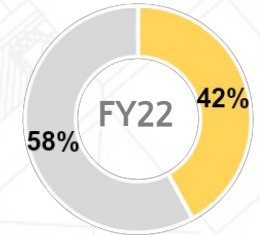
Quality control and testing

Long standing customer relationships and geographically diversified revenue base

In FY22, Rolex supplied bearing rings and automotive components to >80 customers spread across over 20 countries

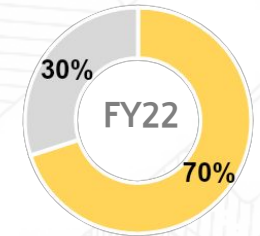


Revenue Split



■ Within India ■ Outside India

Supply relations with Top 10 customer groups













■ > decade ■ < decade

- 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

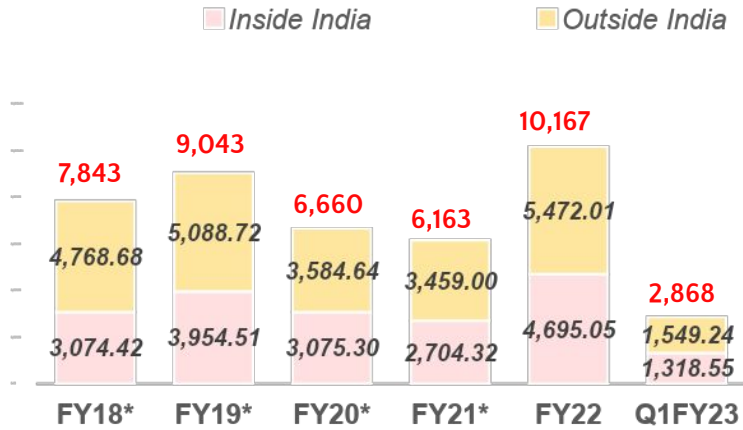
Year	Awards and Accreditations 	
2021	Q1 Preferred Quality Status - Ford	
2019	Supplier Quality Excellence Award – General Motors	
2018	Excellence in New Product Development – Timken	
2018	Supplier Quality Excellence Award – General Motors	
2016	Excellence in Technology Advancement by Timken powered 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	



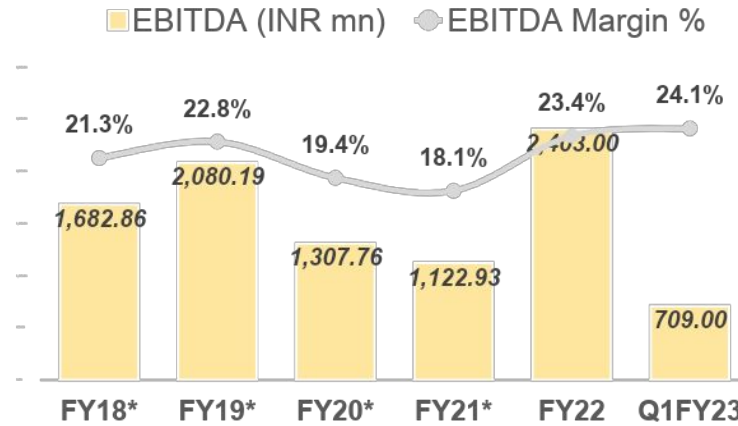
Rolex continues to maintain growth momentum with focus on margins and strengthening balance sheet



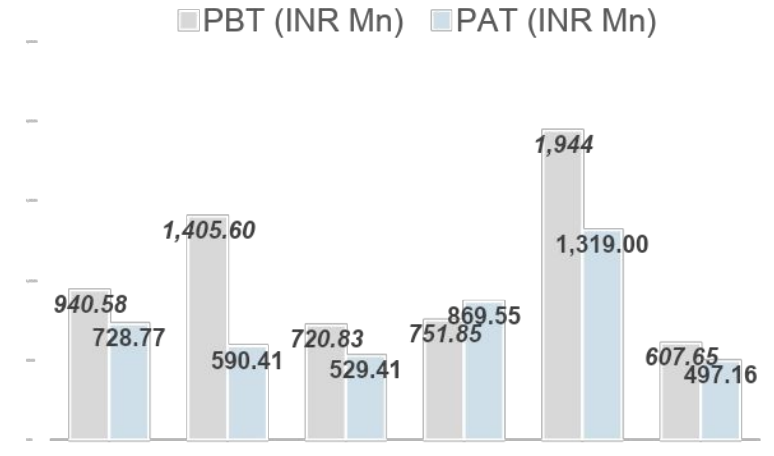
Total Revenues from Operations (₹ mn)



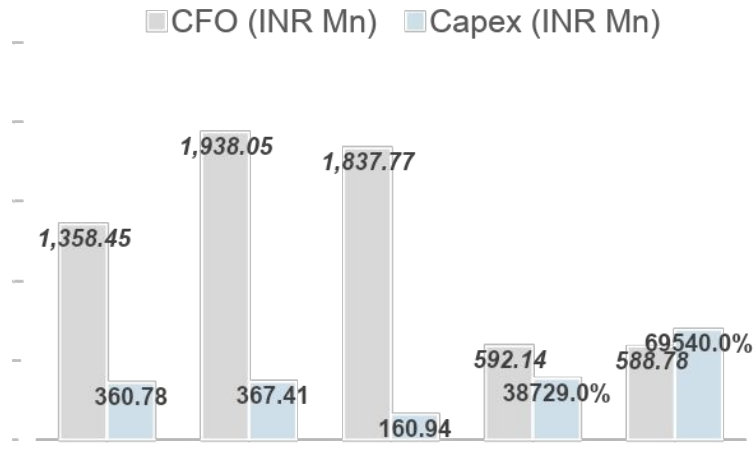
EBITDA (₹ mn) and margins



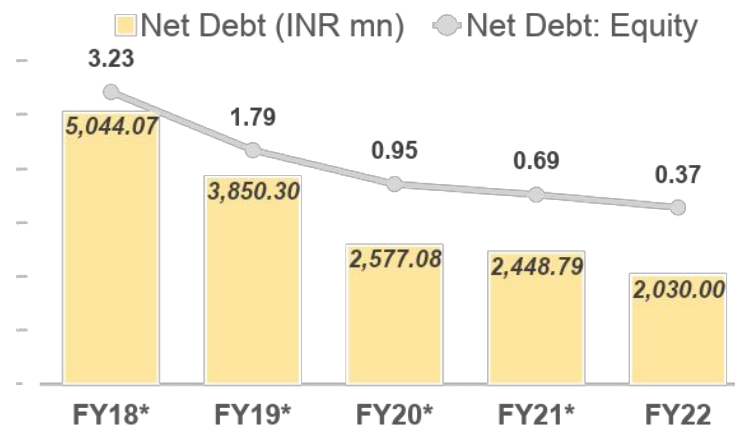
PBT/ PAT (₹ mn)



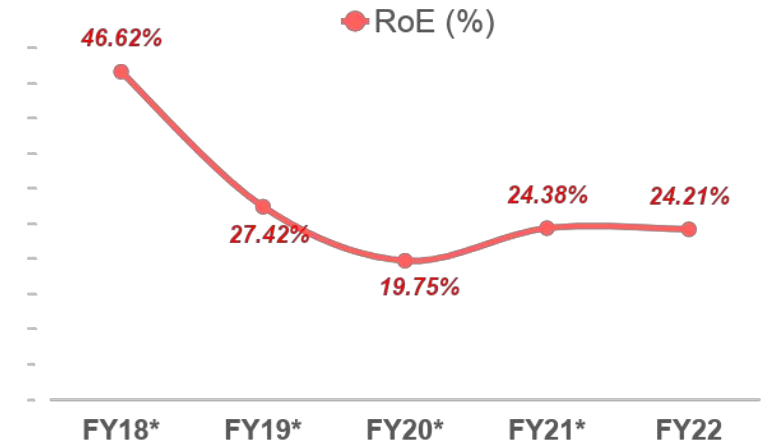
Operating Cash Flows & Capex (₹ mn)



Net Debt (₹ mn) and Net Debt: Equity



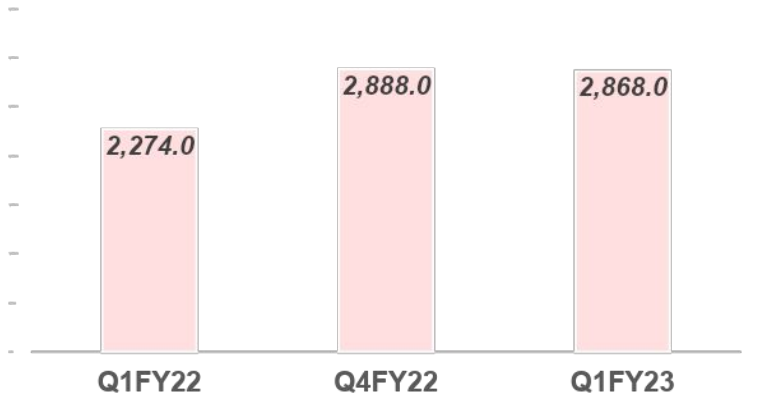
RoE (%)



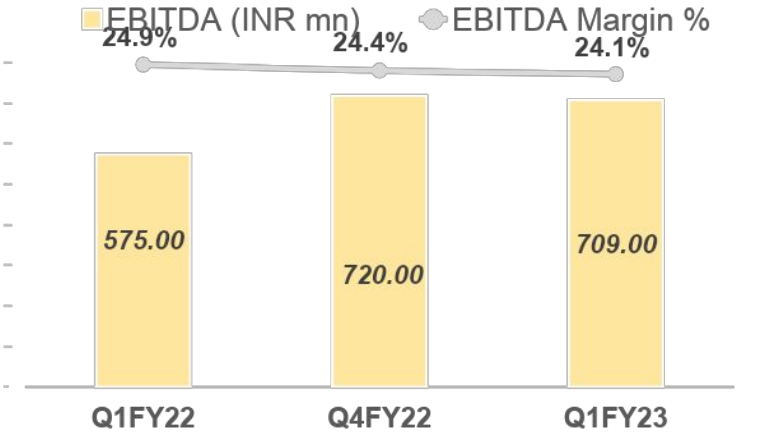
Q1 FY23 financials and business developments

Financial Performance - Quarterly

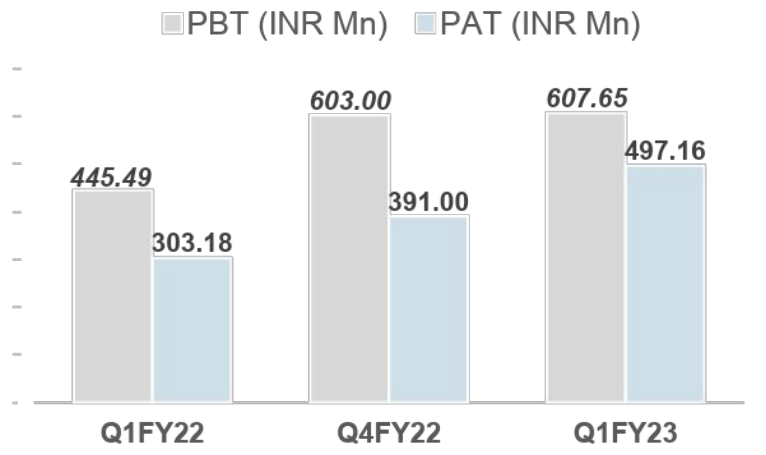
Total Income (₹ mn)



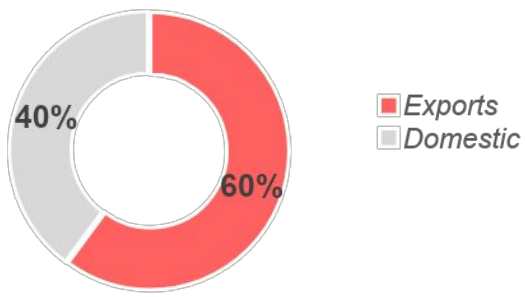
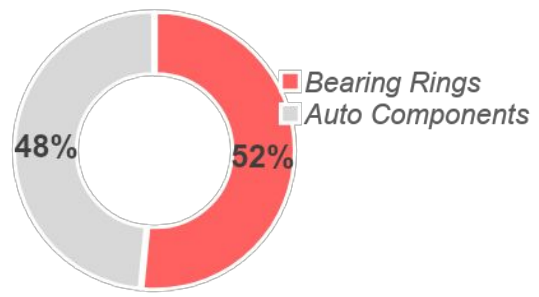
EBITDA (₹ mn) and margins



PBT/ PAT (₹ mn)



Revenues from Operations (excluding scrap) for Q1 FY23



- o We continue to receive new enquiries from existing as well as new customers as they try and de-risk their supply chains in both bearing rings as well as auto components segment
- o Our revenues on bearing side were impacted by inventory adjustment at some of our customers; should normalize by end of this month
- o While we have still not witnessed any perceptible impact of the slowdown in Americas or Europe, we have increased engagement with our customers to maintain revenue visibility
- o If the current trends in RM continues, we anticipate our RM costs to decrease from end of this quarter
- o Net Debt of the Company as at end of Quarter has reduced to -INR 1,860mn

Statement of Profit and Loss (Quarterly)

Particulars (₹ mn)	Q1FY23	Q1FY22	Q-o-Q %	Q3FY22	Y-o-Y %
Income					
Revenue from operations	2,868	2,274		2,888	
Other income	69	37		61	
Total income (I)	2,936	2,311	27%	2,949	0%
Expenses					
Cost of raw materials and components consumed	1,405	1,094		1,483	
Decrease/ (increase) in inventories of finished goods and work-in progress	(31)	(63)		-168	
Employee benefits expense	146	143		143	
Finance costs	38	67		54	
Depreciation and amortization expense	63	63		63	
Other expenses	708	562		770	
Total expenses (II)	2,329	1,866		2,346	
Profit before tax (III) = (I - II)	608	445	36%	603	1%
Tax expense					
Current tax expenses	155	154		211	
Deferred tax charge / (Credit)	(44)	(11)		1	
Total tax expense (IV)	110	142		212	
Profit for the period (V) = (III - IV)	497	303	64%	391	27%

Statement of Profit and Loss (Annual)



Particulars (₹ mn)	FY22	FY21	FY20	FY19
Income				
Revenue from operations	10,167	6,163	6,660	9,043
Other income	114	34	93	69
Total income (I)	10,281	6,198	6,753	9,113
Expenses				
Cost of raw materials and components consumed	5,195	3,166	3,137	4,529
Decrease/ (increase) in inventories of finished goods and work-in progress	(554)	(292)	156	(190)
Employee benefits expense	588	519	527	608
Finance costs	204	117	322	420
Depreciation and amortization expense	256	254	265	254
Other expenses	2,649	1,682	1,626	2,085
Total expenses (II)	8,338	5,446	6,032	7,707
Profit before tax (III) = (I - II)	1,944	752	721	1,406
Tax expense				
Current tax expenses	666	130	127	309
Deferred tax charge / (Credit)	(41)	(248)	64	506
Total tax expense (IV)	625	(118)	191	815
Profit for the period (V) = (III - IV)	1,319	870	529	590

Balance Sheet - Snapshot

Particulars (₹ mn)	FY22	FY21	FY20	FY19
Assets				
Non-current assets				
Property, plant, and equipment	3,789	3,714	3,730	3,808
Capital work in progress	460	12	-	10
Right-of-use assets	0	1	1	1
Intangible assets	8	9	12	14
Financial assets				
a) Loans	-	-	25	33
b) Other financial assets	42	140	34	125
Income tax assets (net)	20	20	20	20
Other non-current assets	155	288	111	131
Current assets				
Inventories	2,617	1,711	1,306	1,602
Financial assets				
a) Loans	0	1	31	1
b) Trade receivables	2,305	1,708	1,277	1,815
c) Cash and cash equivalents	37	46	12	1
d) Bank balances other than Cash and cash equivalents	162	58	152	45
e) Other financial assets	104	68	60	102
Other current assets	156	195	92	113
Total assets	9,854	7,969	6,862	7,823

Particulars (₹ mn)	FY22	FY21	FY20	FY19
Equity and liabilities				
Equity				
Equity share capital	272	240	240	240
Other equity	5,176	3,328	2,441	1,914
Total equity	5,448	3,567	2,681	2,153
Liabilities				
Non-current liabilities				
Financial liabilities				
a) Borrowings	205	323	442	913
b) Lease liabilities	1	1	1	1
Income tax liabilities (net)	179	179	179	171
Deferred tax liabilities (net)	608	324	569	506
Provisions	33	31	31	23
Current liabilities				
Financial Liabilities				
a) Borrowings	2,024	1,836	1,939	2,343
b) Lease liabilities	0	0	0	0
c) Trade payables	1,201	1,176	738	913
d) Other financial liabilities	58	434	261	671
Other liabilities	23	15	8	13
Provisions	8	7	7	7
Income tax liabilities (net)	67	75	3	107
Total liabilities	4,406	4,402	4,181	5,669
Total equity and liabilities	9,854	7,969	6,862	7,823

For further information,
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