

Raymond Ltd.

*Forays into sunrise sectors of
Aerospace, Defense and EV
Components Business*



*through Acquisition
of Business of:*

**MAINI PRECISION PRODUCTS LTD.
(MPPL)**

November-2023

CURRENT ENGINEERING BUSINESS



JK Files & Engineering Limited

A subsidiary of **raymond** Limited



JKFEL — Current Product Portfolio

Market leading position in key precision engineering products



Steel Files



Ring Gears



Flex Plates



Drills



Water Pump Bearings



Hand Tools



Power Tools

STEEL FILES

#1 in India

with **60%+**
Market Share

STEEL FILES

#1 in Global

Installed Capacity with
~25% Market Share

RING GEARS

#1 in India

with **Market Share:**

- ~55% in **PV**
- ~45% in **CV**

FLEXPLATES

Sole Domestic

Manufacturer with **~25%**
Market Share in India

- Catering across sectors including- Agriculture, Industrial, Automotive, Construction, Engineering, Home Improvement DIY, Real Estate
- **Domestic Presence:** Pan India ~1.5 lac POS across 600 towns & cities in B2C and caters to OEMS & Tier 1 suppliers in auto sector
- **International Presence :** Caters to leading global players across geographies to 65+ countries
- **USP:** Manufacturing excellence, established customer relationship, strong brand recall, product development capabilities

JKFEL — Business Overview

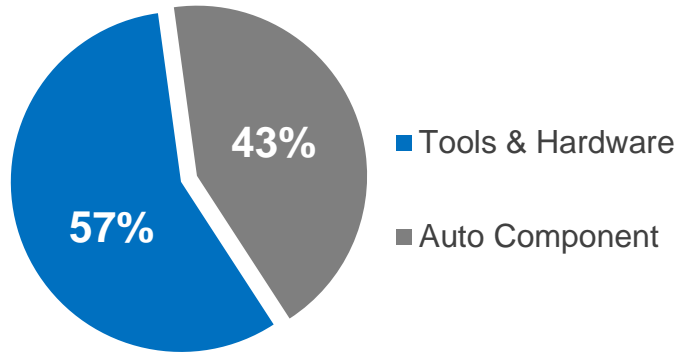


65+
Countries

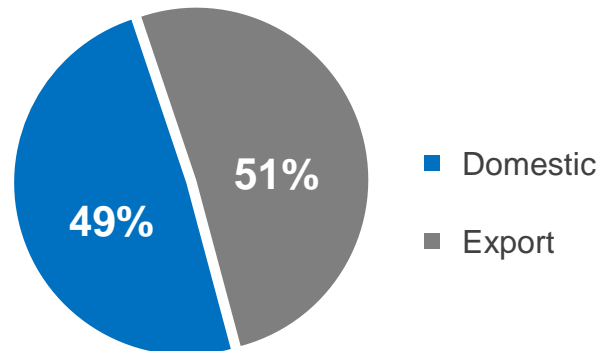


6
Mfg. Plants

SALES MIX in FY23



GEOGRAPHICAL MIX



P&L Overview (FY23)

₹872 Cr.
REVENUE

₹123 Cr.
EBITDA

~14%
EBITDA MARGIN



More than
6 Decades
of Experience

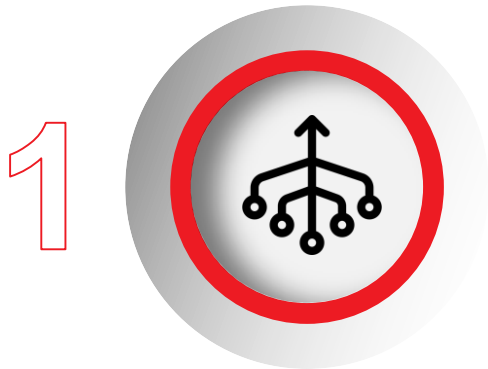


~120
Major Customers



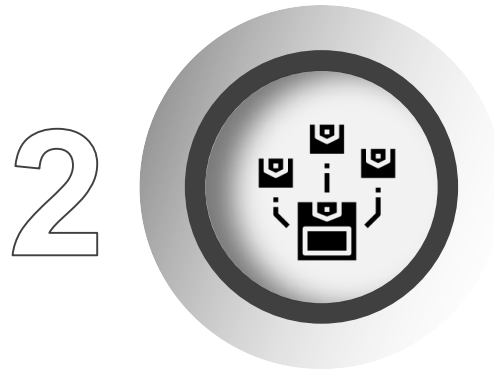
700+
Domestic Distributors

JKFEL — Current Engineering Business Strategy



CONSOLIDATE

- Consolidate market leadership position
- Expand to build relationships with customers
- Increase wallet share



EXPAND

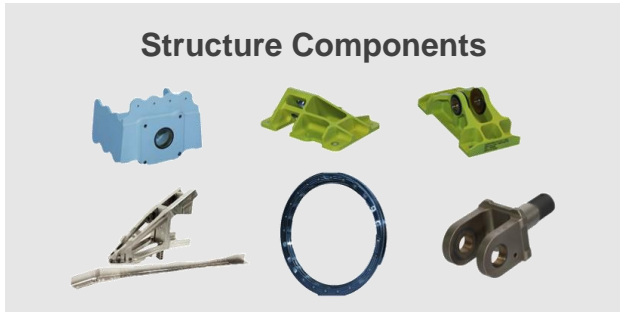
- Add new customers and products
- Develop new engine agnostic products
- Increase presence in non-auto exports market



MARGIN IMPROVEMENT

- Building operational efficiencies across manufacturing and supply chain processes
- Manufacturing efficiency – Outsourcing, Ancillaries, Modernization and Automation

MPPL — Product Portfolio



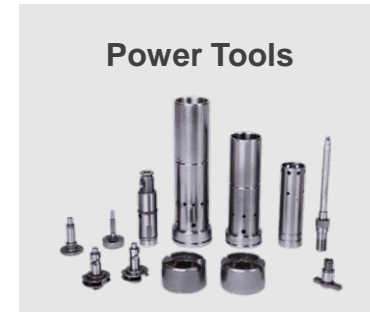
AEROSPACE & DEFENSE



MAINI GROUP
Value delivered. Always



ELECTRIC & HYBRID



AUTO AND INDUSTRIAL

Supplying products to diversified customer base including leading
Aerospace & Defense, Global Passenger & Commercial Vehicles and Industrial Companies

MPPL — Leading Exporter of Precision Components

Business Overview

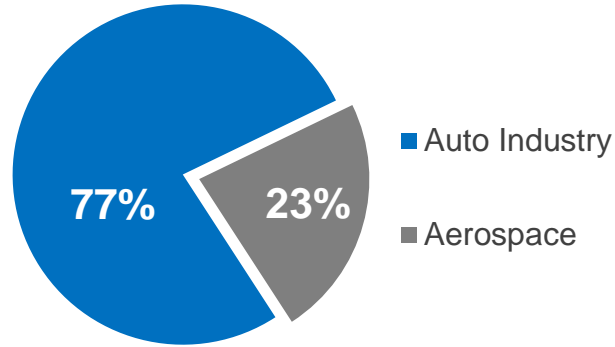


25
Countries

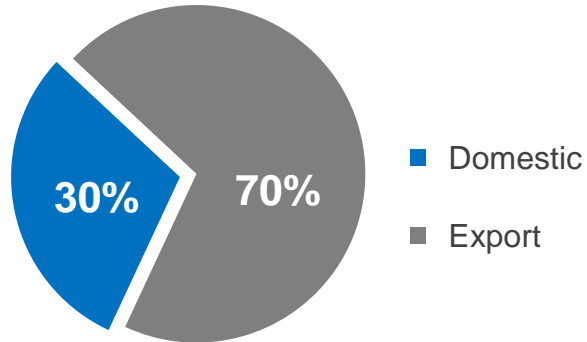


11
Mfg. Plants

SALES MIX in FY23



GEOGRAPHICAL MIX



P&L Overview (FY23)

₹750+ Cr.
REVENUE

₹~97 Cr.
EBITDA

~13%
EBITDA MARGIN



Nearly
5 decades
of Experience



~60
Major Customers



~350 Personnel
as part of the
development team

Building a Stronger Scalable Combined Engineering Business

Our Strategy is significantly boosted by this acquisition

CURRENT Business Strategy



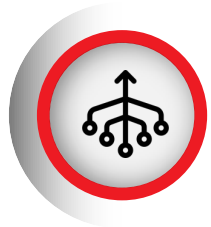
JK Files & Engineering Limited



JK Files & Engineering Limited



1

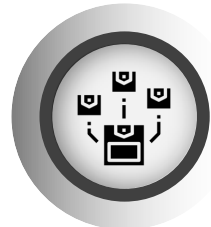


CONSOLIDATE



Strong Auto Component business catering to leading OEM

2



EXPAND



Entry into sunrise sectors of Aerospace, Defense and EV

3



**MARGIN
IMPROVEMENT**



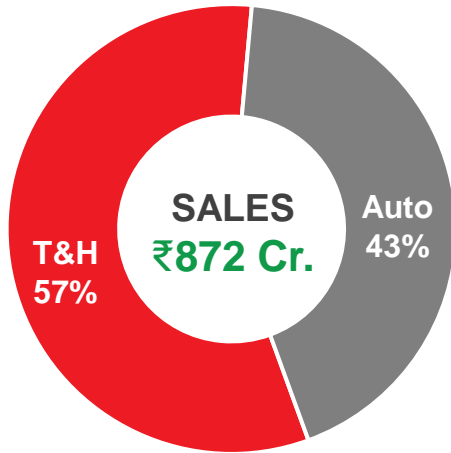
Operating Cost Synergies led by Sourcing and Mfg. efficiencies

Combination of two highly
Complementary Engineering Companies
Led by MPPL founder Mr. Gautam Maini

Empowering 'Make in India' Dream

A Strategic Acquisition Leveraging the 'China Plus One'

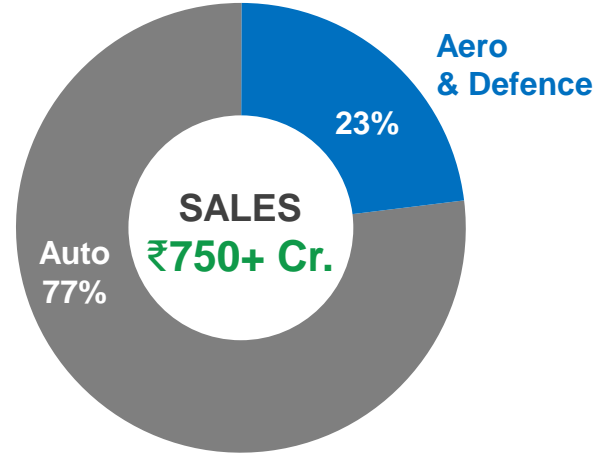
JKFEL



More than **60% revenue** from export business



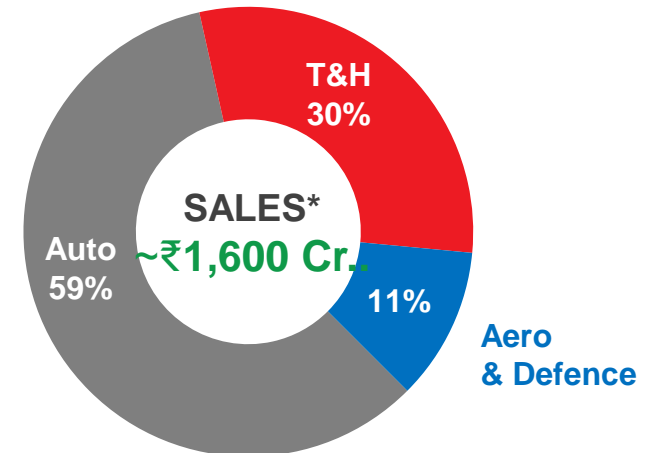
MPPL



Supplying products to the top **10 Global Auto OEMs**



Combined Entity 'Newco'



Caters to Tier 1 Mfg. across Aerospace, Defense, Auto and industrial businesses



AatmaNirbhar Bharat

*Proforma FY23 Sales

Resulting Shareholding Structure

Step: 1

Acquisition of Business of
Maini Precision Product (MPPL)

RPAL* will acquire
59.25% Stake in MPPL
for a consideration of **₹682 Cr.**

Source of Funding

Internal Accrual of Engineering Business	₹85 Cr.
External Debt	₹342 Cr.
Raymond Internal Debt	₹255 Cr.
Total Funding	₹682 Cr.

Debt will be
in 'Newco'

Step: 2

Simplification of
Engineering Entities Structure

Shareholding Post Consolidation

Raymond Ltd. 66.3%	RPAL NCI# 5.2%	MPPL Group 28.5%
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Business of **JK Files**
along with **RPAL**,
and **MPPL** to be
merged in '**Newco**'
(Subsidiary of *Raymond Ltd.*)



*RPAL: Ring Plus Aqua Limited, a subsidiary of JK Files and Engineering Ltd
NCI: Non Controlling Interest (Minority Shareholders)

Transaction Summary



Acquisition of Business of MPPL by acquiring **59.25%** stake of **MPPL** for **₹682 Cr.** Transaction to be **completed in FY24***



Acquisition being funded by mix of **Debt and Internal Accruals** of Engineering business



Post acquisition, **consolidation of business** of JK Files, RPAL & MPPL in **'Newco'**



Strengthen existing engineering business with a complementing presence in the sunrise sectors of **Aerospace, Electric Vehicles (EV)** and **Defense**



Pave way for an eventual strategic value unlocking in Engineering business leading to **significant shareholder value creation** for Raymond shareholders

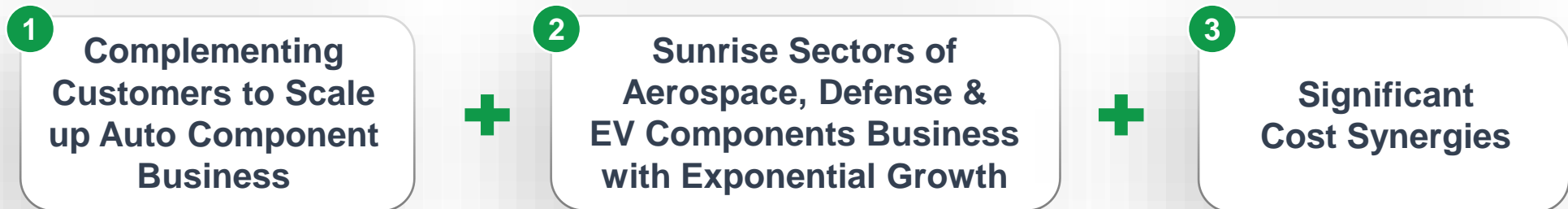
**Subject to regulatory approvals*

Post transaction, Raymond group to **Remain Net Cash Surplus**

Consolidated Engineering Business — Way Forward

Particulars	FY'23 (Proforma)	4 year Outlook
Sales	~₹1,600 Cr.	High teens growth
EBITDA	~₹220 Cr.	Over 20% growth

Growth Driving Factors:



Creating Scalable Business

Transformation Journey in Raymond Group

Demonstrating affirmative actions



Selling FMCG Business



Group becoming Net Cash Surplus



Demerger of Lifestyle business under progress



Shaping scalable Real Estate Business



Building scale in Engineering business with acquisition of business of MPPL

With strong free cash generation and no major capex requirement,
Raymond group continues to remain net cash positive

Raymond Group: Primed for Growth



RAYMOND GROUP

Three Distinct Vectors Of Growth

1

Lifestyle

(Branded Consumer Company)

- Branded Textile
- Branded Apparel
- Garmenting
- High Value Cotton Shirting

(₹ 6,550 Cr. Aggregate Revenue in FY23)

2

Real Estate

- Thane land Development
(₹ 25,000 Cr + Revenue Potential)
- JDA in MMR Region:
(2 Projects Signed)

3

Engineering Business

- Tools and Hardware
 - Auto Component
 - Aerospace and Defense
 - EV Components
- (~₹ 1,600 Cr. Revenue in FY23)



Set To Profitable Growth in Every Business- Unlock Shareholder Value

Chairman & Managing Director Message

“ This acquisition will catapult the growth of our Engineering business and will open new vistas to us for our foray into rapidly growing segments like Aerospace, Defense, and Electric Vehicles (EV). Raymond Group has always believed in the ‘Make in India’ initiative and this acquisition will also provide an impetus to China Plus One strategy that has been benefitting us. These are growing sectors with visible momentum presenting us with ample opportunities to leverage. I am pleased to welcome Gautam Maini, founder of MPPL to the leadership team of our engineering business and we will significantly benefit from his domain expertise and his vast experience. ”

GAUTAM HARI SINGHANIA

(Chairman & Managing Director)



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