



MEDIA RELEASE

Q2 FY25 Total Operational Revenue is at Rs 121.43 crores

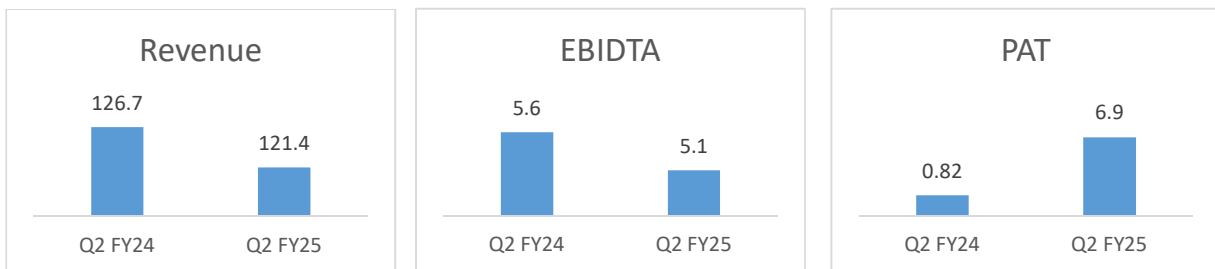
Q2 FY25 EBIDTA at Rs 5.14 crores

Q2 FY25 PAT at Rs 6.94 crores

New Delhi, 14th Nov, 2024: – Rathi Steel and Power Limited (BSE: 504903), among fast growing stainless steel manufacturers in India, announced their unaudited financial performance for the quarter and half year ended September 30th, 2024.

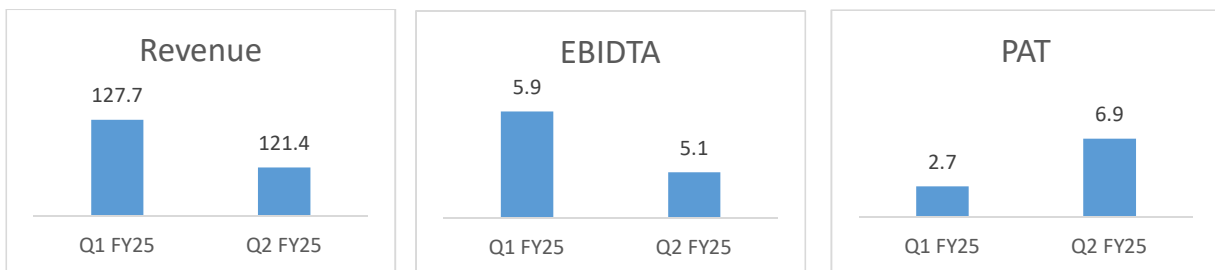
Q2 FY25 vs. Q2 FY24 (Y-o-Y)

Rs. Cr.



Q2 FY25 vs. Q1 FY25 (Q-o-Q)

Rs. Cr.



Note: Q2 FY25 PAT includes one-time gain from Exceptional Items amounting to Rs. 4.71 Cr.

Key Performance Highlights for the second quarter ended September 30th, 2024:

- **Revenue** for Q2 FY25 was **Rs. 121.43 crore**, vis-à-vis Rs. 126.70 crore in Q2 FY24, mainly on account of slightly lower realizations and higher sales from job work and trading in previous corresponding period.



- **EBIDTA** (excluding other income) was at **Rs. 5.14 crore** for Q2 FY25, while **EBIDTA Margin** was **4.23%**. The impact of cost efficiency measures was offset by mutated market conditions for the Stainless Steel Industry on account of extended monsoons and regular inflow of flat steel from China, South East Asian Countries affected the overall market sentiments.
- **PAT** for the quarter was **Rs. 6.94 crore**, vis-à-vis Rs. 0.82 crore in Q2 FY24.

Key Performance Highlights for the Half Year ended September 30th, 2024:

- **Revenue** for **H1 FY25** was **Rs. 249.15 crore**, vis-à-vis Rs. 273.26 crore in H1 FY24, mainly due to a planned plant shutdown in the initial months of the period.
- **EBIDTA** (excluding other income) grew 3.4% YoY to **Rs. 11.11 crore** for H1 FY25, **EBIDTA Margin** increased by 53 bps to **4.46%**, on the back of operational efficiencies.
- **PAT** for the half year grew 267.6% YoY to **Rs. 9.63 crore**, while **PAT Margin** expanded by 290 bps to **3.86%**

KEY HIGHLIGHTS & DEVELOPMENTS:

- ✓ **Modernization project undertaken was successfully completed in Q1 FY25:** This resulted in substantial improvement in quality and product acceptance. Will enable the Company in the future to produce critical / high value added grades.
- ✓ **Cost optimization project completed in Q2 FY25:**
 - The company completed a forward integration project for hot charging of billets, which is first of its kind in India, as far as stainless steel wire rods is concerned.
 - This initiative will lead to significant cost optimizations resulting in reduction of fuel cost, yield loss as well as carbon footprint

Planned shutdown in plant during the previous quarter, to incorporate the above projects, led to slightly lower volumes this quarter as well, on account of stabilization and other debottlenecking initiatives which were undertaken.

- ✓ Directors of Company in the Board Meeting approved setting up of a forward integrated project. This is likely to not only improve the overall capacity utilization,



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but also enable to the Company to enhance the portfolio of high margin products. The total envisaged capital expenditure for the project is Rs. 50 Crores, which will be spent in phases, based on techno-economic feasibility subject to required approvals and market conditions.

MANAGEMENT COMMENTS:

Commenting on the performance, **Mr. Udit Rathi, Promoter, Rathi Steel and Power Ltd. said:**

“The Company’s performance in the second quarter has been satisfactory, reflecting our strategic initiatives to improve our product mix.

Despite macro-economic headwinds affecting the overall industry, we have shown resilience in terms of operations. The market sluggishness seen in the previous quarter was visible in this quarter as well to some extent. Our top line for the quarter came in at Rs. 121.4 crores, while EBIDTA and PAT were Rs. 5.1 crores and Rs. 6.9 crores, respectively. While lower realizations impacted revenue and EBIDTA margins, operational efficiencies and control on input costs yielded satisfactory results, keeping in mind soft market conditions for the steel industry.

In August we successfully completed our plant cost optimization initiative, synchronizing our steel casting and rolling process. This is resulting in better cost efficiencies, lower fuel consumption, and a smaller carbon footprint, which is in line with our motto to have environment-friendly operations.

Going forward, our endeavor will be to sweat out existing assets to the fullest and increase / optimize capacity utilization. The proposed forward integration project is a step towards the same. We shall also be taking steps to expand the product range.

We are optimistic about the second half of this fiscal, and shall leverage our strengths to continue growing, while delivering sustainable value to all stakeholders. I would like to thank all our stakeholders and employees, for their continued support.”

COMPANY OVERVIEW

Incorporated in 1971, Rathi Steel and Power Limited manufactures and supplies steel and steel related products. The Company specializes in stainless steel products like Wire Rods, Flats etc., which are primarily used in Infrastructure, Engineering, household applications. Rathi operates a plant in Ghaziabad, UP, with an installed capacity of 2,00,000 tons per annum. The Company



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also operates a steel melting shop with installed capacity of over 90,000 tons per annum to manufacture stainless steel billets.

BSE Script Code: 504903

For more details please visit: <http://www.rathisteelandpower.com/>

For further information, please contact:

Rathi Steel and Power Limited	Investor Relations Adfactors PR
Mr. Rajesh Jain President (Finance and Corporate Affairs) rkjain@rathisteelandpower.com	Mr. Rahul Trivedi / Ms. Savli Mangle rahul.trivedi@adfactorspr.com savli.mangle@adfactorspr.com

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