

EARNING PRESENTATION  
Q1-FY25





- The Hi-Tech Gears Ltd. (THGL) was incorporated in 1986 and has grown to be an auto component manufacturer of high repute, supplying engine and transmission components to diverse marquee customers across the globe.
- The company is led by a highly experienced and professional team and governed by a strong Board of Directors, including eight independent directors of eminent industry leaders.
- It 5 state-of-the-art manufacturing plants across the world, with 3 plants in India and 1 each in Canada and USA.
- The product portfolio of the company comprises best-in-class precision gears, shafts, transmission components, and engine components catering to diverse segments of Two Wheeler, Passenger Vehicles, Commercial Vehicles, and Agr and Off-Road vehicles.
- THGL are key strategic suppliers to various OEMs in the automotive industry, specializing in producing components that meet the highest quality standards in the industry.

## The Hi-Tech Gears Vision

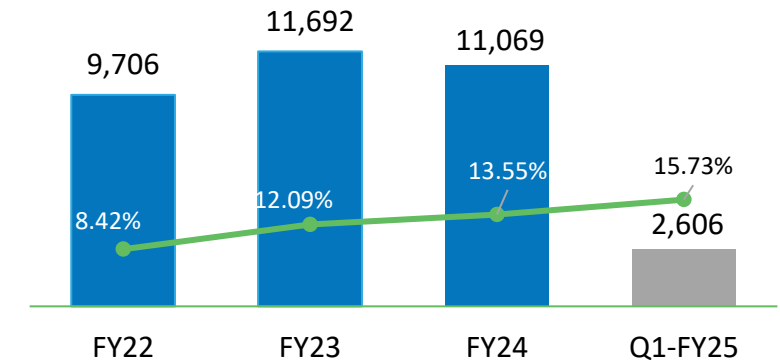
“Be A Global Footprint Company and A Benchmark For World Class Manufacturing Systems”

## The Hi-Tech Gears Mission

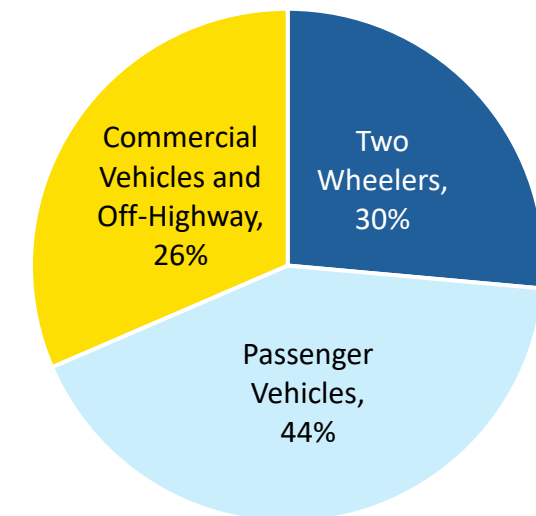
We will be the preferred partner in delivering engineering products and design solutions through lean philosophy with a focus on:

- Building a customer centric organization
- Rapid development of products and innovative solutions
- Ensuring cost effectiveness
- Developing competent and committed people

**CONSOLIDATED REVENUE (INR MN) & EBITDA MARGINS (%)**



**Q1-FY25 CONSOLIDATED REVENUE CONTRIBUTION (%)**





One of the **leading manufacturers** of critical high-precision gears, shafts and Transmission components



One of the very few component manufacturers catering to diverse segments of **automobiles and engines**



Strategically located **state-of-the-art manufacturing facilities in India, Canada and USA**



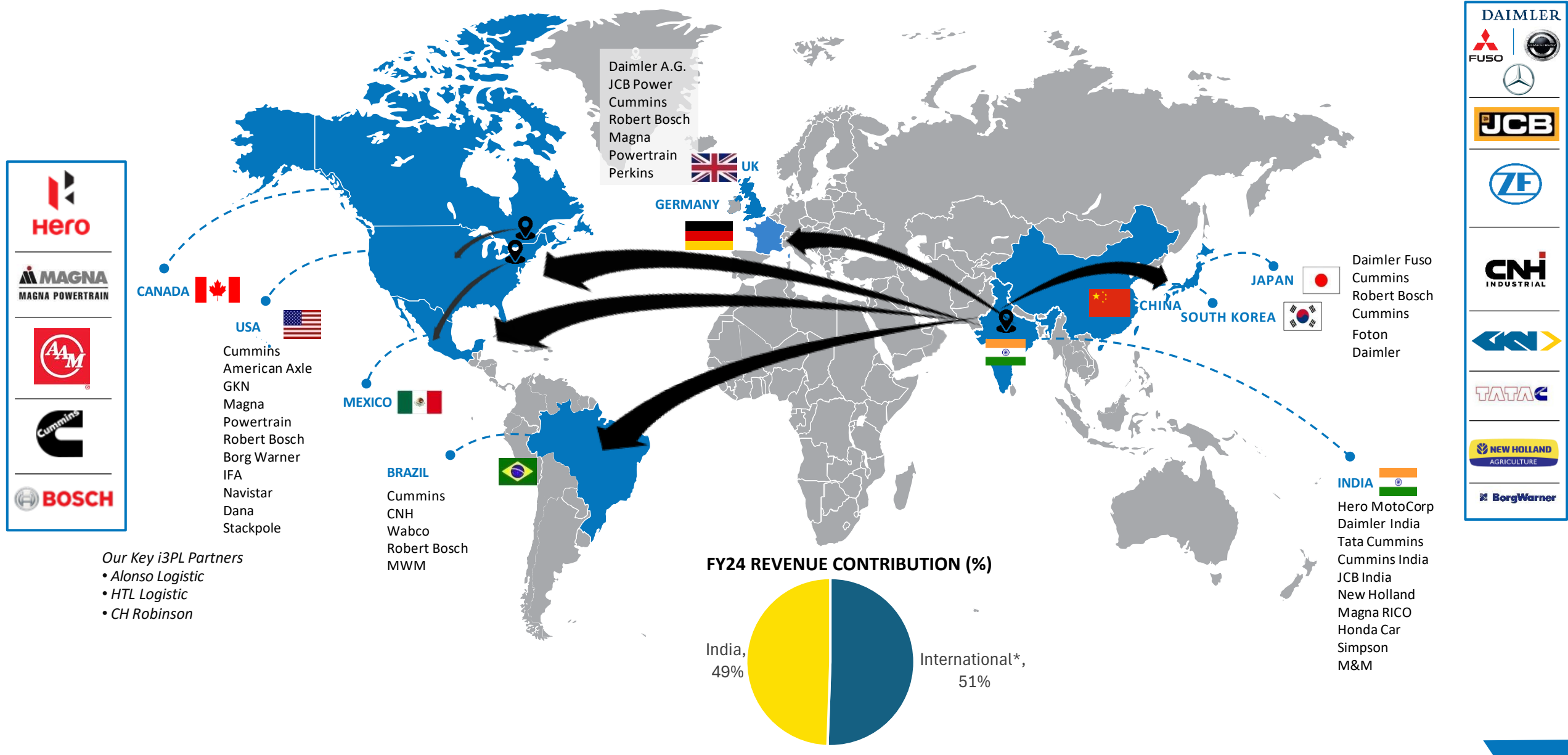
**Long-standing strong relationships** with customers and suppliers



**Operational excellence** drive through 'Lean' manufacturing principles and TPM practices



**Entrepreneurial, Empowered, loyal & committed** team



TWO-WHEELER



MEDIUM & HEAVY COMMERCIAL VEHICLES

DAIMLER



PASSENGER CARS



AGRI, ENGINES AND OFF-HIGHWAY



Association with Top players in each segment



## Manufacturing facilities in India



**Plant-I, Bhiwadi**

Est. 1986



**Plant-II, Manesar**

Est. 2005



**Plant-III, Bhiwadi**

Est. 2011



## Manufacturing facilities overseas



**Plant-I, Guelph, Canada**

Acquired 2017



**Plant-II, Emporium USA**

Acquired 2017

## DUAL SHORE PRESENCE

## Two-Wheeler Transmission



## Car Transmission & Driveline



## Commercial & Off-Highway Vehicles Transmission



## Engine Gears



## Power Take Off Components



## Precision Forging & Machining



## Sintered Components



## Forging

- Hot Forging
- Warm Forging
- Cold Forging
- Cold Extrusion
- Coining



## Machining

- CNC Turning
- Gear Cutting (Wet & Dry Hobbing / Broaching / Shaping / Shaving)
- Spline Rolling
- Auto Shaft straightening
- Deep Hole Drilling etc.



## Heat Treatment

- Normalizing
- Case Carburizing,
- Carbo-nitriding,
- Nitro Carburizing,
- Induction Hardening
- Nitriding
- Tempering etc.
- Shot Blasting/ Shot Peening



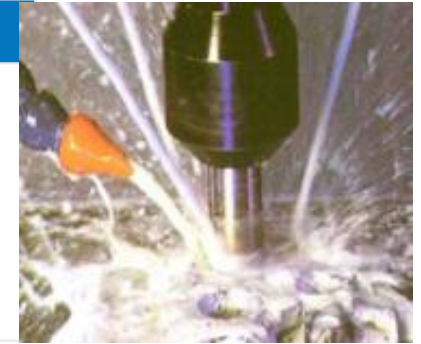
## Finishing

- Gear Grinder
- Honing,
- Gear Honing,
- Hard Turning,
- Grinding, etc.



## Tool Room & Die Manufacturing

- Vertical Machining Center EDM .



## Assembly

- Shaft with cone assy
- Steering linkage assy
- 2W Main & Counter shaft assy
- Anti-backlash Gear assy
- Gears with bush/pin assy
- Driveline shafts with slinger assy



World Class In-house Manufacturing Facilities

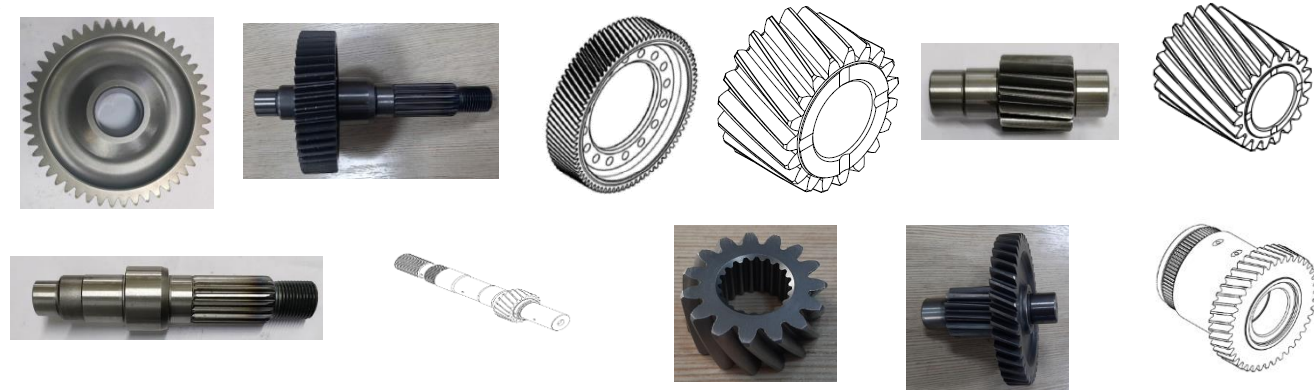
## Electric Vehicle Components

EV-Differential Assembly – EV deliver higher torque and power curve with fewer gear with higher rotational speed.

### THGL Initiatives:

TW : Gear Component Final Assembly & Counter Assembly and Gear Drive

PC : Helical Gear Components

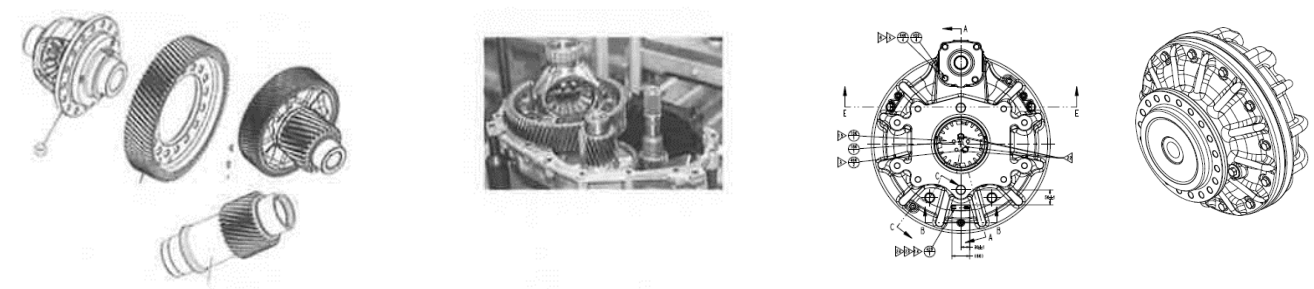


## Advance Technology Components

Automatic Transmission Gear – Single speed transmission consist of single reduction gear, reverted gear or a compound gear train works on principle of reduction of RPM and increasing torque

### THGL Initiatives:

Engineering Capability are being enhanced to design and manufacture advance technology components and Gear Box

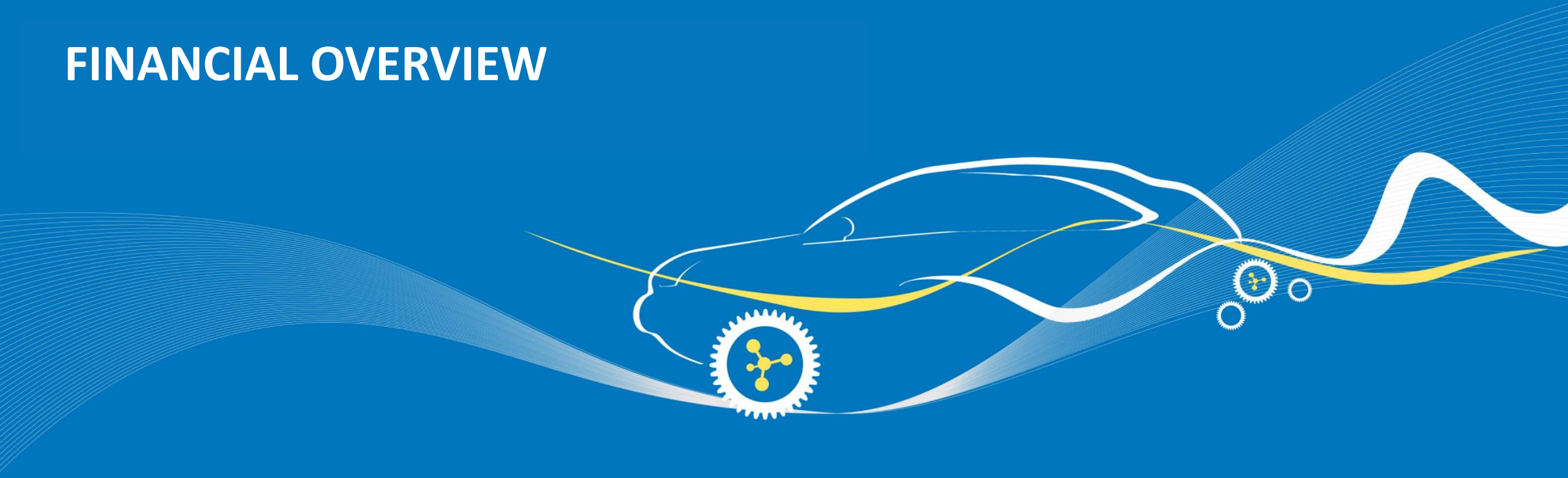


**Won EV business from Hero Moto Corp and Dana – currently in Production**

**Active quotes across customers in EV space**



# FINANCIAL OVERVIEW



## Q1-FY25 Consolidated Highlights

<b>INR 2,606 Mn</b>	<b>INR 410 Mn</b>	<b>INR 142 Mn</b>
Operational Income	EBITDA	Net Profit
<b>(1.1)% YoY</b>	<b>23.5% YoY</b>	<b>52.7% YoY</b>
<b>INR 7.57/Share</b>	<b>15.73%</b>	<b>5.45%</b>
Diluted EPS	EBITDA Margin	PAT Margin

## Q1-FY25 Standalone Highlights

<b>INR 1,794 Mn</b>	<b>INR 277 Mn</b>	<b>INR 144 Mn</b>
Operational Income	EBITDA	Net Profit
<b>(0.4)% YoY</b>	<b>16.9% YoY</b>	<b>39.8% YoY</b>
<b>INR 7.64/Share</b>	<b>15.44%</b>	<b>8.03%</b>
Diluted EPS	EBITDA Margin	PAT Margin

- Standalone India business Q1 FY25 revenues is at par YoY
  - Lower pick-up by Commercial Vehicle customers have been compensated by higher take-off by Passenger Car customers
- Standalone India business profitability has increased YoY in Q1 on account of
  - Optimization and control of manufacturing expenses
  - Reduction in manpower cost
  - Lower finance cost on account to repayment of term loan and lower utilization of working capital loan
- North American business revenues decreased YoY due to demand fluctuations
- Despite lower sales, profitability improved YoY in the Overseas operations on account of:
  - Productivity improvements and reduction in head count resulting in lower break-even
  - Continuous improvement on improving internal efficiencies and reducing conversion costs
- Long-term borrowing have reduced significantly on YoY basis
  - Reduction in standalone borrowings ~ 425 Mn (Outstanding as on 30<sup>th</sup> June 2023 was ~ 840 Mn)
- Q1 FY 24-25 consolidated revenue share of Two-Wheeler (TW) ~ 30%; Commercial Vehicle (CV), Agriculture and Off-road ~ 25% and Passenger Car (PC) ~ 44%.
- The company is focused on improving asset utilization through targeted selling of existing capacities.

**FY 22-23**

New business won ~ ₹ 1,754 Mn annualized

Current Customer  
₹ 1,081 Mn

New Customer  
₹ 673 Mn

EV Business  
₹ 360 Mn

ICE Business  
₹ 1,394 Mn

**FY 23-24**

New business won ~ ₹ 695 Mn annualized

Current Customer  
₹ 301 Mn

New Customer  
₹ 494 Mn

Entry into Indian Passenger Car customers

**Pivot on EV and new customer additions**

**New Customers**

**EV Customers**

Presence in higher CC bikes (> 350 CC): Harley Davidson X-440



Hero Mavrick 440



Entry into Indian Passenger Car SUV segment – Mahindra & Mahindra



PARTICULARS (INR MN)	Q1-FY25	Q1-FY24	Y-O-Y	Q4-FY24	Q-O-Q
<b>Operational Revenue</b>	<b>2,606</b>	<b>2,635</b>	<b>(1.1)%</b>	<b>2,869</b>	<b>(9.2)%</b>
Total Expenses	2,196	2,303	(4.6)%	2,461	(10.8)%
<b>EBITDA</b>	<b>410</b>	<b>332</b>	<b>23.5%</b>	<b>408</b>	<b>0.5%</b>
<b><i>EBITDA Margin (%)</i></b>	<b>15.73%</b>	<b>12.60%</b>	<b>313 Bps</b>	<b>14.24%</b>	<b>149 Bps</b>
Depreciation and amortisation	156	150	4.0%	163	(4.3)%
Finance costs	65	90	(27.8)%	67	(3.0)%
Other Income	24	31	(22.6)%	34	(29.4)%
<b>PBT before exceptional items</b>	<b>213</b>	<b>123</b>	<b>73.2%</b>	<b>212</b>	<b>0.5%</b>
Exceptional Items	0	0	NA	0	NA
<b>PBT</b>	<b>213</b>	<b>123</b>	<b>73.2%</b>	<b>212</b>	<b>0.5%</b>
Tax Expense	71	30	NA	34	NA
<b>PAT</b>	<b>142</b>	<b>93</b>	<b>52.7%</b>	<b>178</b>	<b>(20.2)%</b>
<b><i>PAT Margin (%)</i></b>	<b>5.45%</b>	<b>3.53%</b>	<b>192 Bps</b>	<b>6.20%</b>	<b>(75) Bps</b>
Other Comprehensive Income	(23)	19	NA	(32)	(28.1)%
<b>Total Comprehensive Income</b>	<b>119</b>	<b>112</b>	<b>6.3%</b>	<b>146</b>	<b>(18.5)%</b>
Diluted EPS	7.57	4.94	53.2%	9.48	(20.1)%

PARTICULARS (INR MN)	Q1-FY25	Q1-FY24	Y-O-Y	Q4-FY24	Q-O-Q
<b>Operational Revenue</b>	<b>1,794</b>	<b>1,802</b>	<b>(0.4)%</b>	<b>2,030</b>	<b>(11.6)%</b>
Total Expenses	1,517	1,565	(3.1)%	1,758	(13.7)%
<b>EBITDA</b>	<b>277</b>	<b>237</b>	<b>16.9%</b>	<b>272</b>	<b>1.8%</b>
<b>EBITDA Margin (%)</b>	<b>15.44%</b>	<b>13.15%</b>	<b>229 Bps</b>	<b>13.40%</b>	<b>204 Bps</b>
Depreciation and amortisation	79	81	(2.5)%	77	2.6%
Finance costs	35	48	(27.1)%	37	(5.4)%
Other Income	25	28	(10.7)%	38	(34.2)%
<b>PBT</b>	<b>188</b>	<b>136</b>	<b>38.2%</b>	<b>196</b>	<b>(4.1)%</b>
Tax Expense	44	33	33.3%	34	29.4%
<b>PAT</b>	<b>144</b>	<b>103</b>	<b>39.8%</b>	<b>162</b>	<b>(11.1)%</b>
<b>PAT Margin (%)</b>	<b>8.03%</b>	<b>5.72%</b>	<b>231 Bps</b>	<b>7.98%</b>	<b>5 Bps</b>
Other Comprehensive Income	(15)	0	NA	8	NA
<b>Total Comprehensive Income</b>	<b>129</b>	<b>103</b>	<b>25.2%</b>	<b>170</b>	<b>(24.1)%</b>
Diluted EPS	7.64	5.48	39.4%	8.62	(11.4)%

Particulars (INR Mn)	FY22	FY23	FY24	Q1-FY25
<b>Revenue from Operations</b>	<b>9,706</b>	<b>11,692</b>	<b>11,069</b>	<b>2,606</b>
Expenses	8,889	10,278	9,569	2,196
<b>EBITDA</b>	<b>817</b>	<b>1,414</b>	<b>1,500</b>	<b>410</b>
<b>EBITDA Margins (%)</b>	<b>8.42%</b>	<b>12.09%</b>	<b>13.55%</b>	<b>15.73%</b>
Depreciation and amortisation	523	822	612	156
Finance costs	264	332	378	65
Other Income	79	79	99	24
<b>PBT before exceptional items</b>	<b>109</b>	<b>339</b>	<b>609</b>	<b>213</b>
Exceptional Items	-	-	770	-
<b>Profit before tax</b>	<b>109</b>	<b>339</b>	<b>1,379</b>	<b>213</b>
Tax expense	120	108	236	71
<b>PAT</b>	<b>(11)</b>	<b>231</b>	<b>1,143*</b>	<b>142</b>
<b>PAT Margins (%)</b>	<b>NA</b>	<b>1.96%</b>	<b>10.33%</b>	<b>5.45%</b>
Other Comprehensive income	149	30	18	(23)
<b>Total Comprehensive income</b>	<b>138</b>	<b>261</b>	<b>1,161</b>	<b>119</b>
Diluted EPS (INR)	(0.59)	12.3	60.73	7.57

Note: \* Higher Net Profit due to one-time income of INR 770 Mn in the overseas subsidiary in Q2 FY24

PARTICULARS (INR MN)	FY22	FY23	FY24	Q1-FY25
<b>Revenue from Operations</b>	<b>6,446</b>	<b>7,818</b>	<b>7,800</b>	<b>1,794</b>
Expenses	5,497	6,725	6,748	1,517
<b>EBITDA</b>	<b>949</b>	<b>1,093</b>	<b>1052</b>	<b>277</b>
<b><i>EBITDA Margins (%)</i></b>	<b>14.72%</b>	<b>13.98%</b>	<b>13.49%</b>	<b>15.44%</b>
Depreciation and amortisation	304	316	316	79
Finance costs	179	171	182	35
Other Income	71	88	93	25
<b>Profit before tax</b>	<b>537</b>	<b>694</b>	<b>647</b>	<b>188</b>
Tax expense	152	191	154	44
<b>PAT</b>	<b>385</b>	<b>503</b>	<b>493</b>	<b>144</b>
<b><i>PAT Margins (%)</i></b>	<b>5.91%</b>	<b>6.36%</b>	<b>6.32%</b>	<b>8.03%</b>
Other Comprehensive income	68	4	4	(15)
<b>Total Comprehensive income</b>	<b>453</b>	<b>507</b>	<b>497</b>	<b>129</b>
Diluted EPS (INR)	20.52	26.79	26.19	7.64

PARTICULARS (INR MN)	FY22	FY23	FY24
<b>NON-CURRENT ASSETS</b>	<b>5,924</b>	<b>5,390</b>	<b>4,925</b>
a) Property, plant and equipment	3,871	3,853	3,417
b) Capital work-in-progress	382	132	37
c) Right of Use Assets	271	263	409
d) Other Intangible assets	581	526	478
f) Goodwill	557	314	320
g) Financial assets			
i) Investments	122	122	123
ii) Loans	3	1	1
iii) Other Financial Assets	38	46	86
i) Deferred Tax Assets (Net)	-	83	-
J) Other non-current assets	99	50	54
<b>CURRENT ASSETS</b>	<b>4,099</b>	<b>4,465</b>	<b>4,158</b>
a) Financial Assets			
i) Trade Receivables	1,739	2,086	2,004
ii) Cash and cash equivalents	609	335	140
iii) Bank balances other than above	258	464	399
iv) Loans	5	7	2
v) Other financial assets	87	87	61
b) Current Tax Assets (Net)	19	28	31
b) Other current assets	221	223	285
d) Inventories	1,161	1,235	1,236
<b>TOTAL ASSETS</b>	<b>10,023</b>	<b>9,855</b>	<b>9,084</b>

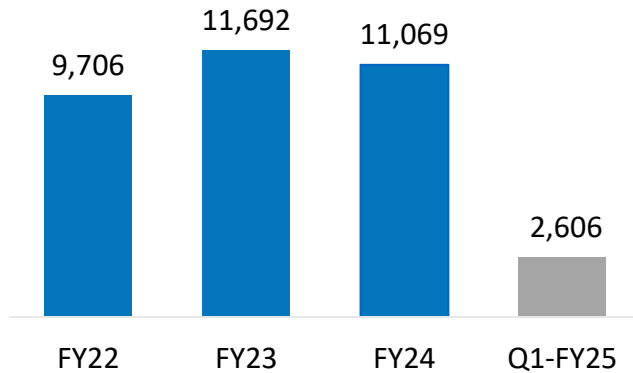
PARTICULARS (INR MN)	FY22	FY23	FY24
<b>EQUITY</b>	<b>3,308</b>	<b>3,545</b>	<b>4,662</b>
Equity Share Capital	188	188	188
Other Equity	3,120	3,357	4,474
<b>NON-CURRENT LIABILITIES</b>	<b>3,296</b>	<b>2,474</b>	<b>1,486</b>
a) Financial Liabilities			
i) Borrowings	2,992	2,196	530
ii) Lease Liability	221	205	905
b) Provisions	34	38	38
c) Deferred tax liabilities (net)	36	25	3
d) Other Non- Current Liabilities	13	10	9
<b>CURRENT LIABILITIES</b>	<b>3,419</b>	<b>3,836</b>	<b>2,937</b>
a) Financial Liabilities			
i) Borrowings	1,448	2,136	1,416
ii) Lease Liabilities	45	35	134
iii) Trade Payables	1,433	1,206	1,076
iv) Other financial liabilities	364	330	222
b) Other current liabilities	86	105	52
c) Provisions	43	24	37
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10,023</b>	<b>9,855</b>	<b>9,084</b>

# HISTORICAL STANDALONE BALANCE SHEET

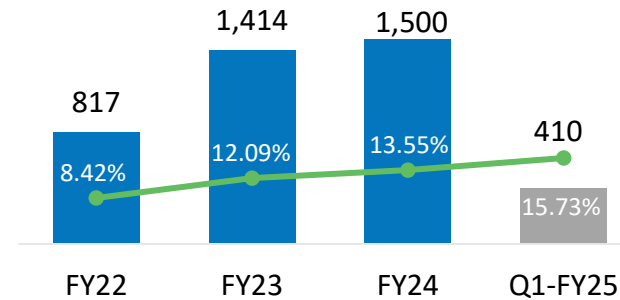
PARTICULARS (INR MN)	FY22	FY23	FY24
<b>NON-CURRENT ASSETS</b>	<b>4,266</b>	<b>4,089</b>	<b>4,016</b>
a) Property, plant and equipment	1,935	1,840	1,791
b) Capital work-in-progress	160	126	32
c) Right of Use Assets	271	263	332
d) Other Intangible assets	9	7	7
f) Financial assets			
i) Investments	1,671	1,671	1,663
ii) Loans	81	79	79
iii) Other Financial Assets	40	53	57
J) Other non-current assets	99	50	55
<b>CURRENT ASSETS</b>	<b>2,835</b>	<b>3,193</b>	<b>3,005</b>
a) Inventories	786	789	854
a) Financial Assets			
i) Trade Receivables	1,252	1,518	1,421
ii) Cash and cash equivalents	256	129	60
iii) Bank balances other than above	258	464	399
iv) Loans	3	4	2
v) Other financial assets	78	78	24
b) Current Tax Assets (Net)	19	26	30
c) Other current assets	183	185	215
<b>TOTAL ASSETS</b>	<b>7,101</b>	<b>7,282</b>	<b>7,021</b>

PARTICULARS (INR MN)	FY22	FY23	FY24
<b>EQUITY</b>	<b>3,493</b>	<b>3,976</b>	<b>4,431</b>
Equity Share Capital	188	188	188
Other Equity	3,305	3,788	4,243
<b>NON-CURRENT LIABILITIES</b>	<b>1,239</b>	<b>664</b>	<b>632</b>
a) Financial Liabilities			
i) Borrowings	936	386	304
ii) Lease Liability	221	205	272
b) Provisions	34	38	38
c) Deferred tax liabilities (net)	35	25	9
d) Other Non- Current Liabilities	13	10	9
<b>CURRENT LIABILITIES</b>	<b>2,369</b>	<b>2,642</b>	<b>1,958</b>
a) Financial Liabilities			
i) Borrowings	884	1,372	854
ii) Lease Liabilities	44	35	42
iii) Trade Payables	1,031	843	793
iv) Other financial liabilities	283	264	179
b) Other current liabilities	84	104	53
c) Provisions	43	24	37
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,101</b>	<b>7,282</b>	<b>7,021</b>

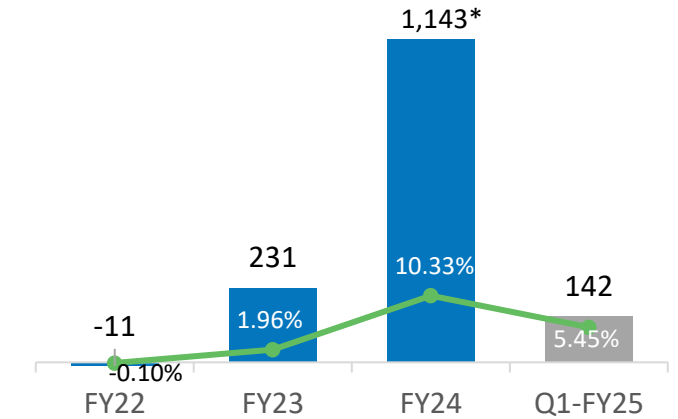
### OPERATIONAL REVENUE (INR MN)



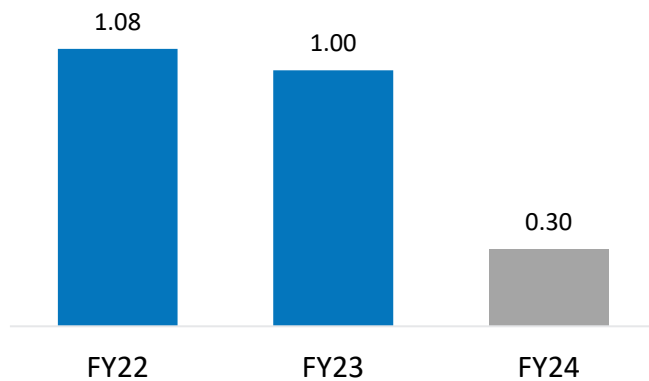
### EBITDA (INR MN) & EBITDA MARGINS (%)



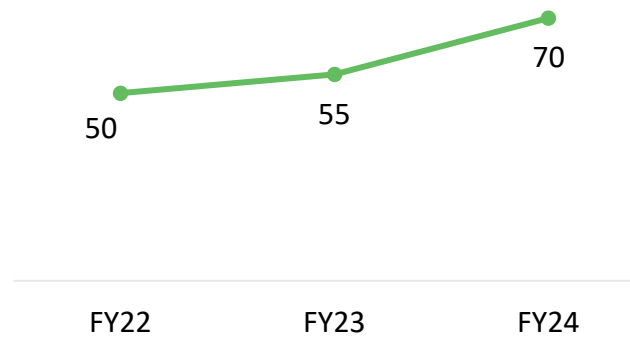
### PAT (INR MN) & PAT MARGINS (%)



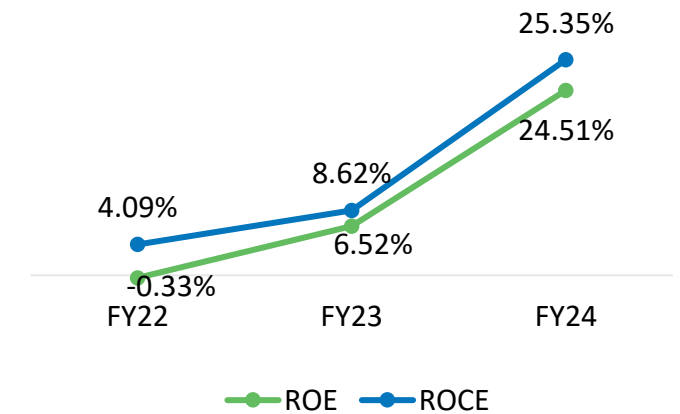
### NET DEBT TO EQUITY (X)



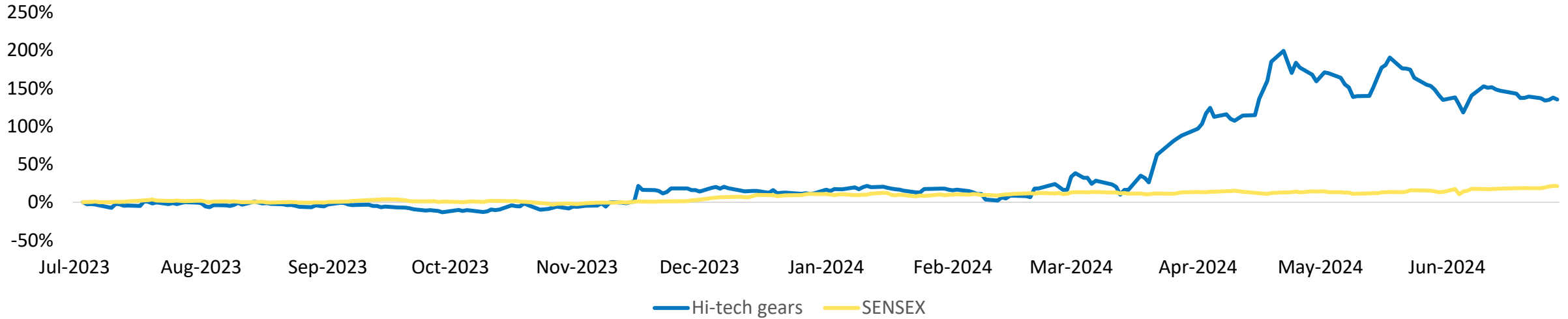
### CASH CONVERSION CYCLE (DAYS)



### ROCE\* (%) AND ROE\* (%)



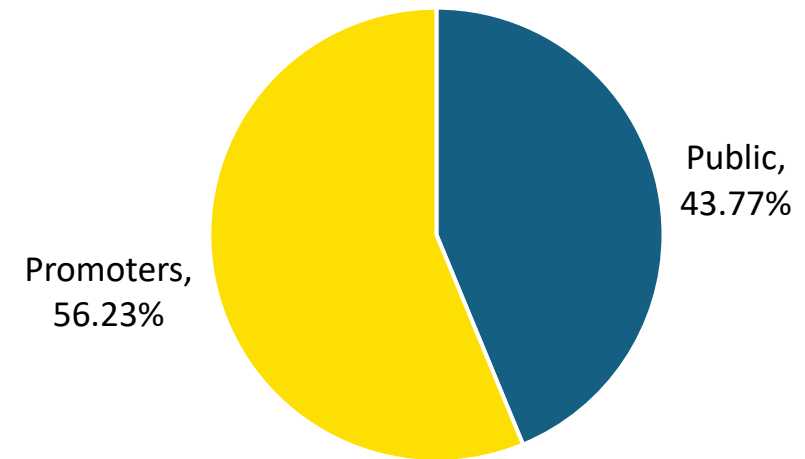
Note: \* Higher Net Profit, ROCE and ROE due to one-time income of INR 770 Mn in the overseas subsidiary in Q2 FY24



## MARKET DATA (INR) AS ON 30<sup>th</sup> June, 2024

Face Value	10.00
CMP	962.95
52 Week H/L	1,275.75/351.50
Market Cap (INR Mn)	18,082.45
Shares O/S (Mn)	18.78
Avg. Volume ('000)	68.82

## SHAREHOLDING PATTERN AS ON 30<sup>th</sup> JUNE, 2024



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