

EARNING PRESENTATION
Q2/H1-FY24





- 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 Agri 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

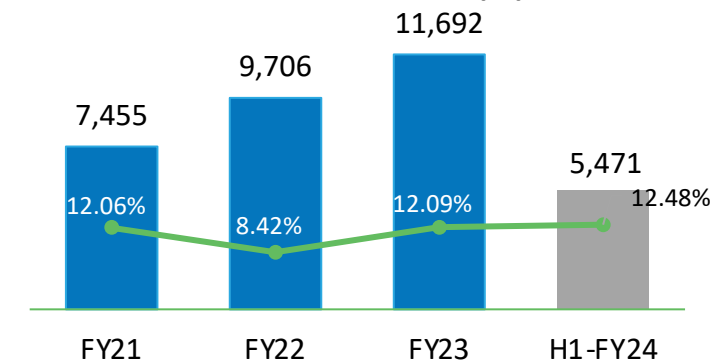
“Be A Global Footprint Company and A Benchmark For World Class Manufacturing Systems”

The Hi-Tech Gears Mission

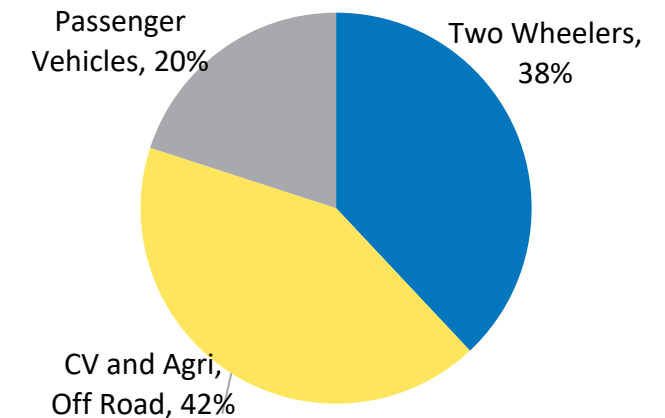
We will be the preferred partner in delivering engineering products and design solutions through lean philosophy with a focus on:

- 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 (%)



FY23 STANDALONE 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



DEEP KAPURIA

Executive Chairman

Engineering (Hons) Graduate from B.I.T.S., Pilani, advanced Management Programme from IIM-A, and owner Management Programme from Harvard, USA, with over 40 years of experience.



ANANT JAIVANT TALAULICAR

Vice Chairman & Non-Executive Director

He holds a Mechanical Engineering degree and an MBA and has over 35 years of experience



PRANAV KAPURIA

Managing Director

B.Com (Hons) from Delhi University, MBA from Cardiff Business School (U.K.), with over 23 years of experience.



ANUJ KAPURIA

Executive Director

Master's degree in Robotics from Carnegie Mellon University, with over 18 years of experience.



A.K. VERMA

Executive Director

Bachelor of Engineering, with over 35 years of extensive experience in Auto industry and operations.



BIDADI ANJANI KUMAR

Non- Executive Director

Seasoned Chartered Accountant (FCA), with over 40 years of experience in renowned corporate houses.



KAWAL JAIN

Non-Executive Director

Chartered Accountant with over 30 years of experience.

EMINENT INDEPENDENT DIRECTORS



KRISHNA CHANDRA VERMA

Independent Director

Experienced Indian Police Service officer, with over 40 years of experience.



VINIT TANEJA

Independent Director

A Mechanical Engineer from IIT Delhi and Post Graduate Diploma in Management from IIM Calcutta with over 20 years of experience.



SANDEEP DINODIA

Independent Director

Chartered Accountant with over 30 years of experience.



ANIL KUMAR KHANNA

Independent Director

Chartered Accountant with over 40 years of experience.



MALINI SUD

Independent Director

Over 35 years of experience in Corporate Law.



RAJIV BATRA

Independent Director

Finance professional, with over 35 years of experience.



RAMESH SHANKARMAL PILANI

Independent Director

Chemical engineer, with over 40 years of experience.

EXPERIENCED MANAGEMENT TEAM



A.K. VERMA

Executive Director

Bachelor of Engineering, with over 35 years of extensive experience in Auto industry and operations.



KAPIL RAJORA

Chief Financial Officer

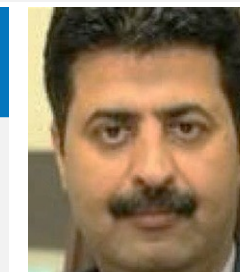
B.E. & MBA; with 18 years of experience.



NAVEEN JAIN

GM-Legal & Company Secretary

ACS, LLB with over 20 years of relevant experience.



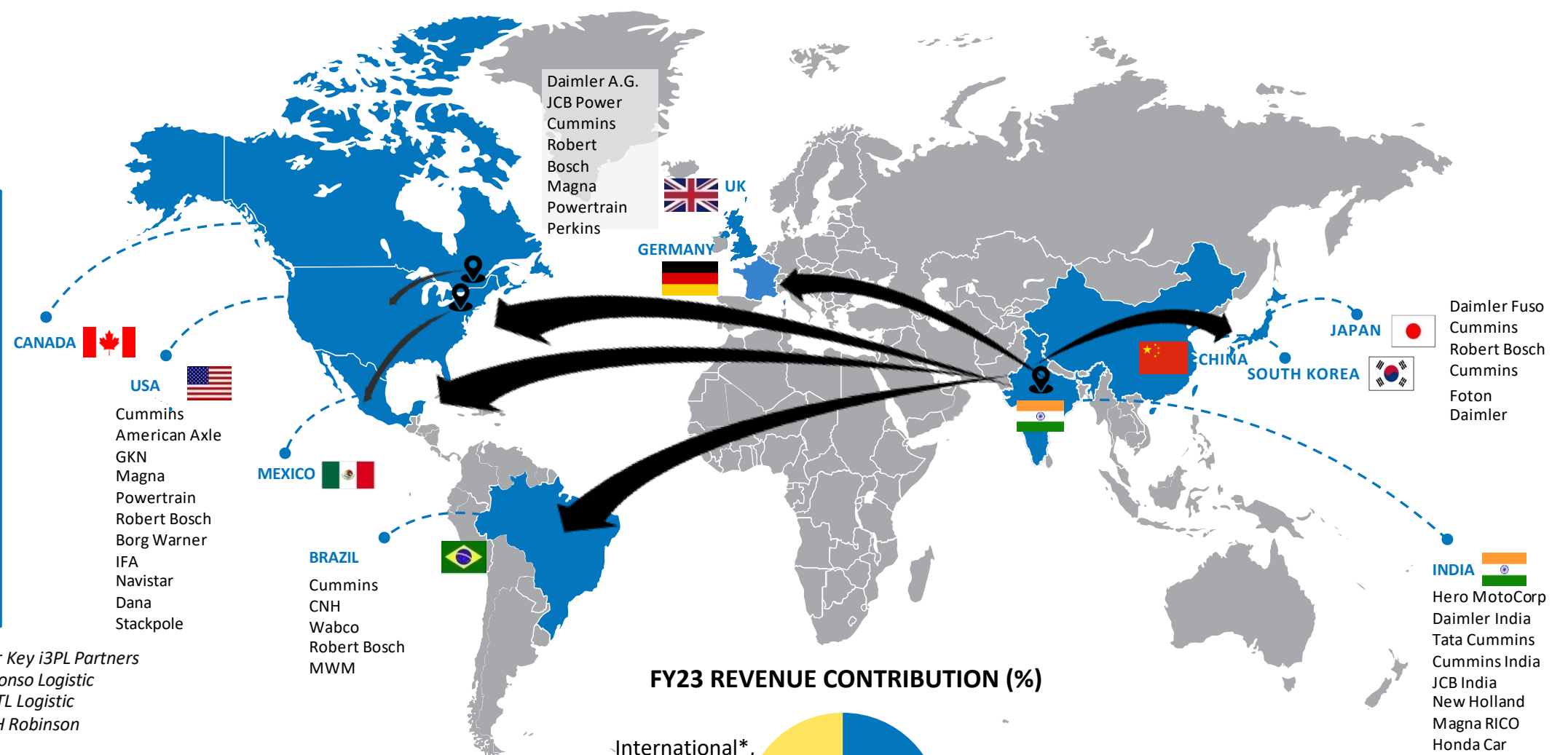
RAJESH MAGOO

President - North America

B.S.(Engg.); with over 30 years of experience.

Our Key i3PL Partners

- Alonso Logistic
- HTL Logistic
- CH Robinson

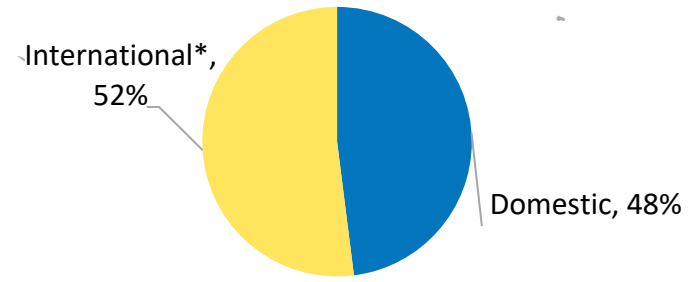


Daimler A.G.
JCB Power
Cummins
Robert
Bosch
Magna
Powertrain
Perkins

Daimler Fuso
Cummins
Robert Bosch
Cummins
Foton
Daimler

India
Hero MotoCorp
Daimler India
Tata Cummins
Cummins India
JCB India
New Holland
Magna RICO
Honda Car
Simpson
M&M

FY23 REVENUE CONTRIBUTION (%)



* Exports + North America Sub

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



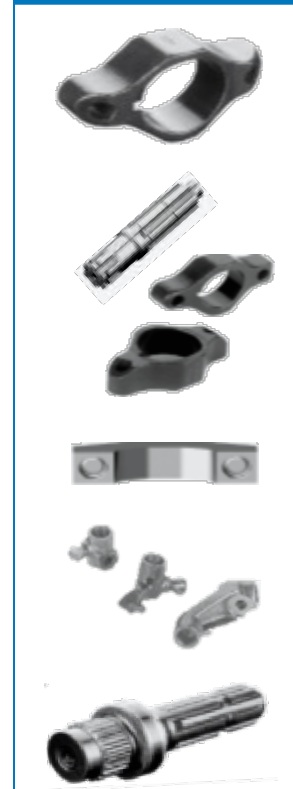
Engine Gears



Power Take Off Components



Precision Forging & Machining



Sintered Components



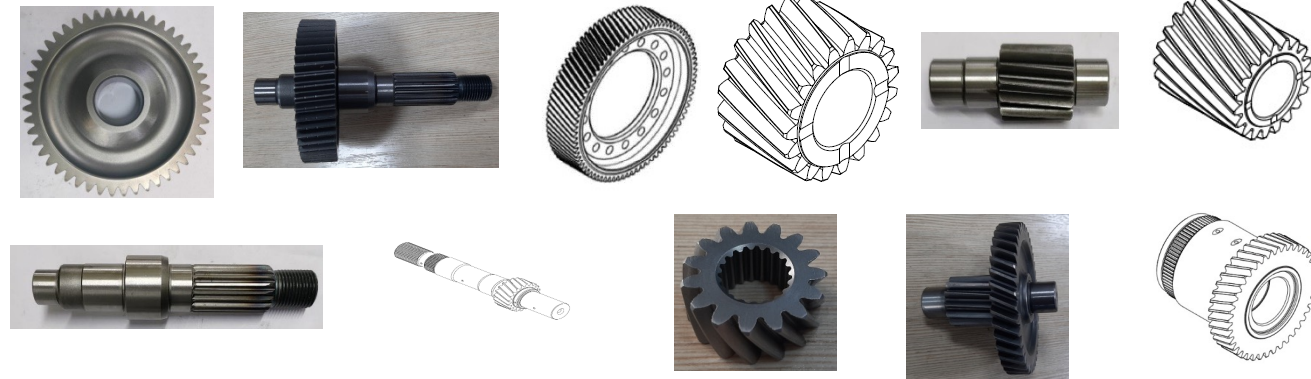
Electric Vehicle Components

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

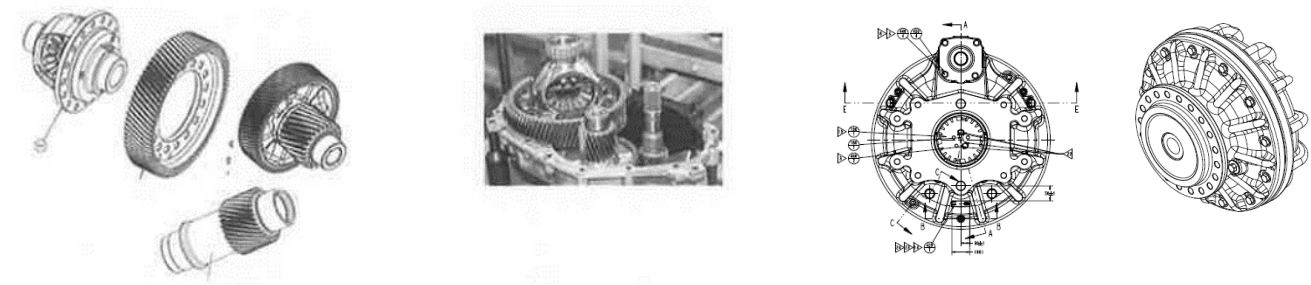


Advance Technology Components

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

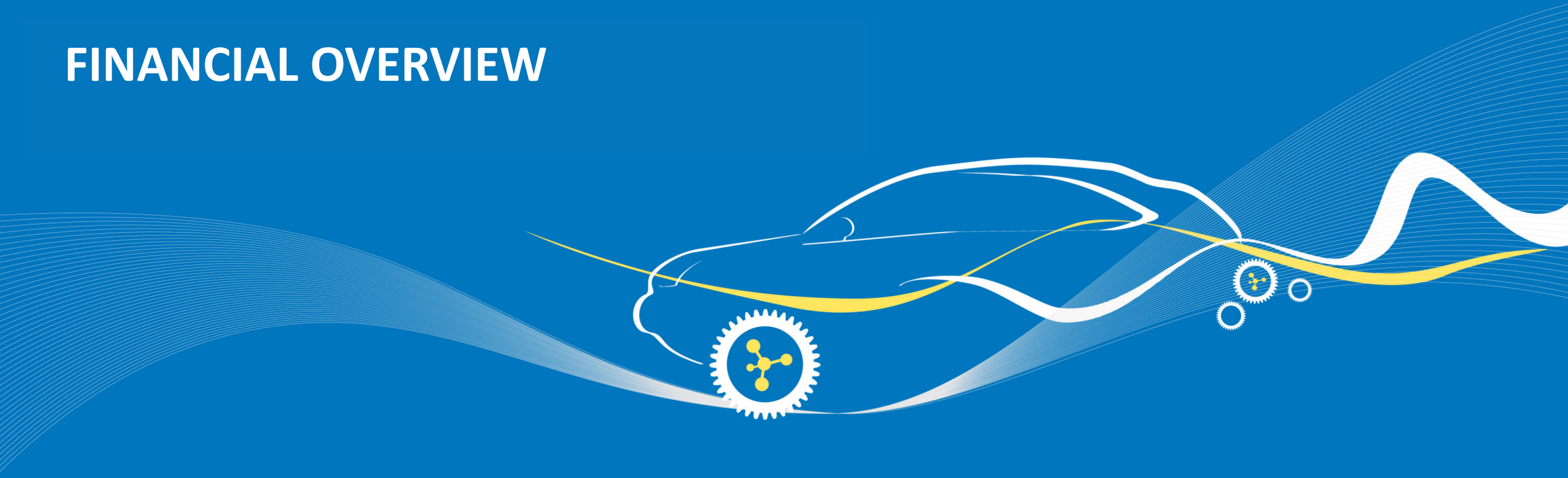


Won EV business from Hero Moto Corp and Dana – currently in Production

Active quotes across customers in EV space



FINANCIAL OVERVIEW



Q2-FY24 Consolidated Highlights

INR 2,836 Mn Operational Income (9.6)% YoY	INR 351 Mn EBITDA (9.3)% YoY	INR 722 Mn* Net Profit 1,963% YoY
INR 38.38 Diluted EPS	12.38% EBITDA Margins	25.46%* PAT Margins

H1-FY24 Consolidated Highlights

INR 5,471 Mn Operational Income (9.6)% YoY	INR 683 Mn EBITDA (2.8)% YoY	INR 815 Mn* Net Profit 1,990% YoY
INR 43.33 Diluted EPS	12.48% EBITDA Margins	14.90%* PAT Margins

Q2-FY24 Standalone Highlights

INR 2,033 Mn Operational Income (5.8)% YoY	INR 255 Mn EBITDA (14.7)% YoY	INR 101 Mn Net Profit (31.3)% YoY
INR 5.35 Diluted EPS	12.54% EBITDA Margins	4.97% PAT Margins

H1-FY24 Standalone Highlights

INR 3,835 Mn Operational Income (6.3)% YoY	INR 492 Mn EBITDA (14.1)% YoY	INR 204 Mn Net Profit (20.3)% YoY
INR 10.83 Diluted EPS	12.83% EBITDA Margins	5.32% PAT Margins

Note: * Higher Net Profit due to one time income of INR 772 Mn in the international subsidiary

- Decline in Revenue compared to previous year was on account of lower take-off in the Passenger Car (PC) and Two-Wheeler segments in Standalone business and lower offtake by one of the customers in the North American business.
- In Q2-FY24, Standalone revenue share of Two-Wheeler (TW) ~ 38%; Commercial Vehicle (CV), Agriculture and Off-road ~ 43% and Passenger Car (PC) ~ 19%.
- Despite reduction in sales, profitability has improved significantly in the Overseas operations on account of below
 - Operator productivity improvements through automation, layout changes and reduction in head count resulting in lower break-even
 - Internal efficiency improvements on repair and maintenance expenses, rejection, insurance cost, consumables and tools
- The Hi-Tech Gears Canada Inc. ('THGCA'), a wholly owned step-down subsidiary operating in Canada, entered into Sale and Lease Back Agreement for land and building located at Ontario, Canada that has resulted in
 - Reduction in long term debt by INR 1,655 Mn (INR 2,196 Mn as on 31-Mar-23 vs. 531 Mn as on 30-Sep-23)
 - One time income of INR 772 Mn in the international subsidiary
- Focused on improving asset utilization through targeted selling of existing capacity
 - Newly won businesses are launched with limited capex by leveraging existing capacities
 - Higher customer engagement and green scorecards to secure new business

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

H1-FY24

New business won ~ ₹ 461 Mn annualized

Current Customer
₹ 151 Mn

New Customer
₹ 310 Mn

Entry into Indian Passenger Car Segment

New Customers			

EV Customers	

Pivot on EV and new customer additions

PARTICULARS (INR MN)	Q2-FY24	Q2-FY23	Y-O-Y	Q1-FY24	Q-O-Q
Operational Revenue	2,836	3,138	(9.6)%	2,635	7.6%
Total Expenses	2,485	2,751	(9.7)%	2,303	7.9%
EBITDA	351	387	(9.3)%	332	5.7%
EBITDA Margin (%)	12.38%	12.33%	5 Bps	12.60%	(22) Bps
Depreciation and amortisation	150	235	(36.2)%	150	0.0%
Finance costs	139	81	71.6%	90	54.4%
Other Income	13	27	(51.9)%	31	(58.1)%
PBT before exceptional items	75	98	(23.5)%	123	(39.0)%
Exceptional Items	772	-	772%	-	772%
PBT	847	98	764.3%	123	588.6%
Tax Expense	125	63	98.4%	30	316.7%
PAT	722	35	1,962.9%	93	730.1%
PAT Margin (%)	25.46%	1.12%	2,434 Bps	3.53%	2,193 Bps
Other Comprehensive Income	12	(21)	NA	19	(36.8)%
Total Comprehensive Income	734	14	5,142.9%	112	555.4%
Diluted EPS	38.38	1.88	1,941.5%	4.94	676.9%

PARTICULARS (INR MN)	Q2-FY24	Q2-FY23	Y-O-Y	Q1-FY24	Q-O-Q
Operational Revenue	2,033	2,159	(5.8)%	1,802	12.8%
Total Expenses	1,778	1,860	(4.4)%	1,565	13.6%
EBITDA	255	299	(14.7)%	237	7.6%
EBITDA Margin (%)	12.54%	13.85%	(131) Bps	13.15%	(61)Bps
Depreciation and amortisation	80	79	1.3%	81	(1.2)%
Finance costs	47	41	14.6%	48	(2.1)%
Other Income	10	34	(70.6)%	28	(64.3)%
PBT	138	213	(35.2)%	136	1.5%
Tax Expense	37	66	(43.9)%	33	12.1%
PAT	101	147	(31.3)%	103	(1.9)%
PAT Margin (%)	4.97%	6.81%	(184) Bps	5.72%	(75) Bps
Other Comprehensive Income	0	1	NA	0	-
Total Comprehensive Income	101	148	(31.8)%	103	(1.9)%
Diluted EPS	5.35	7.85	(31.8)%	5.48	(2.4)%

PARTICULARS (INR MN)	H1-FY24	H1-FY23	Y-O-Y
Operational Revenue	5,471	6,055	(9.6)%
Total Expenses	4,788	5,352	(10.5)%
EBITDA	683	703	(2.8)%
EBITDA Margin (%)	12.48%	11.61%	87 Bps
Depreciation and amortisation	300	433	(30.7)%
Finance costs	229	159	44.0%
Other Income	44	48	(8.3)%
PBT before exceptional items	198	159	24.5%
Exceptional Items	772	-	722%
PBT	970	159	510.1%
Tax Expense	155	120	29.2%
PAT	815	39	1,989.7%
PAT Margin (%)	14.90%	0.6%	1,484 Bps
Other Comprehensive Income	31	19	63.2%
Total Comprehensive Income	846	58	1,358.6%
Diluted EPS	43.33	2.08	1,983.2%

PARTICULARS (INR MN)	H1-FY24	H1-FY23	Y-O-Y
Operational Revenue	3,835	4,095	(6.3)%
Total Expenses	3,343	3,522	(5.1)%
EBITDA	492	573	(14.1)%
<i>EBITDA Margin (%)</i>	<i>12.83%</i>	<i>13.99%</i>	<i>(116) Bps</i>
Depreciation and amortisation	161	156	3.2%
Finance costs	95	84	13.1%
Other Income	38	51	(25.5)%
PBT	274	384	(28.6)%
Tax Expense	70	128	(45.3)%
PAT	204	256	(20.3)%
<i>PAT Margin (%)</i>	<i>5.32%</i>	<i>6.25%</i>	<i>(93) Bps</i>
Other Comprehensive Income	0	16	NA
Total Comprehensive Income	204	272	(25.0)%
Diluted EPS	10.83	13.63	(20.5)%

Particulars (INR Mn)	FY21	FY22	FY23	H1-FY24
Revenue from Operations	7,455	9,706	11,692	5,471
Expenses	6,556	8,889	10,278	4,788
EBITDA	899	817	1,414	683
<i>EBITDA Margins (%)</i>	<i>12.06%</i>	<i>8.42%</i>	<i>12.09%</i>	<i>12.48%</i>
Depreciation and amortisation	431	523	822	300
Finance costs	233	264	332	229
Other Income	105	79	79	44
PBT before exceptional items	340	109	339	198
Exceptional Items	-	-	-	772
Profit before tax	340	109	339	970
Tax expense	52	120	108	155
PAT	288	(11)	231	815
<i>PAT Margins (%)</i>	<i>3.86%</i>	<i>NA</i>	<i>1.98%</i>	<i>14.90%</i>
Other Comprehensive income	157	149	30	31
Total Comprehensive income	445	138	261	846
Diluted EPS (INR)	15.34	(0.59)	12.30	43.33

PARTICULARS (INR MN)	FY21	FY22	FY23	H1-FY24
Revenue from Operations	5,224	6,446	7,818	3,835
Expenses	4,400	5,497	6,725	3,343
EBITDA	824	949	1,093	492
<i>EBITDA Margins (%)</i>	<i>15.77%</i>	<i>14.72%</i>	<i>13.98%</i>	<i>12.83%</i>
Depreciation and amortisation	252	304	316	161
Finance costs	179	179	171	95
Other Income	103	71	88	38
Profit before tax	496	537	694	274
Tax expense	123	152	191	70
PAT	373	385	503	204
<i>PAT Margins (%)</i>	<i>7.14%</i>	<i>5.97%</i>	<i>6.43%</i>	<i>5.32%</i>
Other Comprehensive income	38	68	4	0
Total Comprehensive income	411	453	507	204
Diluted EPS (INR)	19.87	20.52	26.79	10.83

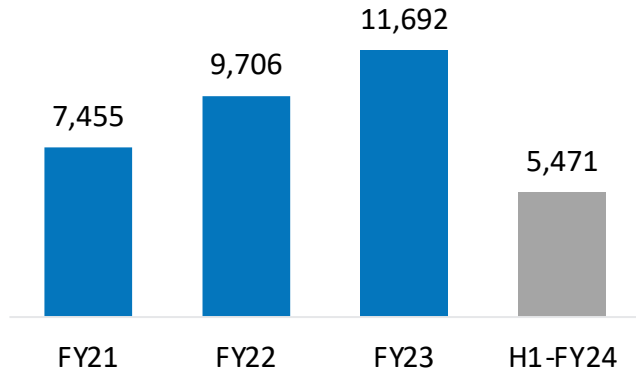
PARTICULARS (INR MN)	FY22	FY23	H1-FY24
NON-CURRENT ASSETS	5,924	5,390	5,068
a) Property, plant and equipment	3,871	3,853	3,502
b) Capital work-in-progress	382	132	141
c) Right of Use Assets	271	263	331
d) Other Intangible assets	581	526	511
f) Goodwill	557	314	325
g) Financial assets			
i) Investments	122	122	122
ii) Loans	3	1	1
iii) Other Financial Assets	38	46	84
i) Deferred Tax Assets (Net)	-	83	-
J) Other non-current assets	99	50	51
CURRENT ASSETS	4,099	4,464	4,324
a) Financial Assets			
i) Trade Receivables	1,739	2,086	2,060
ii) Cash and cash equivalents	609	334	103
iii) Bank balances other than above	258	464	523
iv) Loans	5	7	4
v) Other financial assets	87	87	87
b) Current Tax Assets (Net)	19	28	41
b) Other current assets	221	223	254
d) Inventories	1,161	1,235	1,252
TOTAL ASSETS	10,023	9,855	9,392

PARTICULARS (INR MN)	FY22	FY23	H1-FY24
EQUITY	3,307	3,544	4,348
Equity Share Capital	188	188	188
Other Equity	3,120	3,357	4,160
NON-CURRENT LIABILITIES	3,297	2,475	1,457
a) Financial Liabilities			
i) Borrowings	2,992	2,196	531
ii) Lease Liability	221	205	860
b) Provisions	34	38	38
c) Deferred tax liabilities (net)	36	25	18
d) Other Non- Current Liabilities	13	10	10
CURRENT LIABILITIES	3,419	3,835	3,587
a) Financial Liabilities			
i) Borrowings	1,448	2,136	1,929
ii) Lease Liabilities	45	35	120
iii) Trade Payables	1,433	1,206	985
iv) Other financial liabilities	364	330	412
b) Other current liabilities	86	105	114
c) Provisions	43	24	27
TOTAL EQUITY AND LIABILITIES	10,023	9,855	9,392

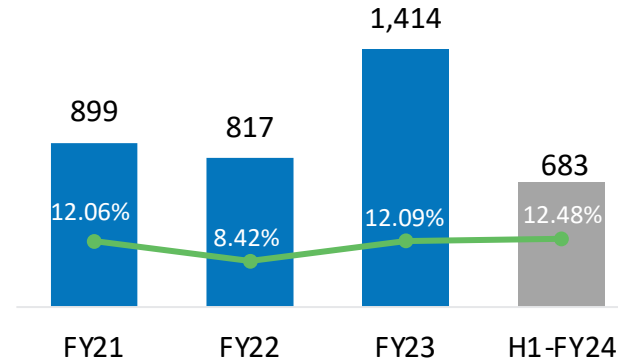
PARTICULARS (INR MN)	FY22	FY23	H1-FY24
NON-CURRENT ASSETS	4,266	4,089	3,993
a) Property, plant and equipment	1,935	1,840	1,741
b) Capital work-in-progress	160	126	129
c) Right of Use Assets	271	263	250
d) Other Intangible assets	9	7	8
f) Financial assets			
i) Investments	1,671	1,671	1,671
ii) Loans	81	79	80
iii) Other Financial Assets	40	53	63
J) Other non-current assets	99	50	51
CURRENT ASSETS	2,835	3,193	3,287
a) Inventories	786	789	821
a) Financial Assets			
i) Trade Receivables	1,252	1,518	1,590
ii) Cash and cash equivalents	256	129	48
iii) Bank balances other than above	258	464	523
iv) Loans	3	4	2
v) Other financial assets	78	78	52
b) Current Tax Assets (Net)	19	26	40
c) Other current assets	183	185	211
TOTAL ASSETS	7,101	7,282	7,280

PARTICULARS (INR MN)	FY22	FY23	H1-FY24
EQUITY	3,493	3,976	4,137
Equity Share Capital	188	188	188
Other Equity	3,305	3,788	3,949
NON-CURRENT LIABILITIES	1,239	664	531
a) Financial Liabilities			
i) Borrowings	936	386	263
ii) Lease Liability	221	205	203
b) Provisions	34	38	38
c) Deferred tax liabilities (net)	35	25	18
d) Other Non- Current Liabilities	13	10	9
CURRENT LIABILITIES	2,369	2,642	2,612
a) Financial Liabilities			
i) Borrowings	884	1,372	1,347
ii) Lease Liabilities	44	35	24
iii) Trade Payables	1,031	843	736
iv) Other financial liabilities	283	264	364
b) Other current liabilities	84	104	114
c) Provisions	43	24	27
TOTAL EQUITY AND LIABILITIES	7,101	7,282	7,280

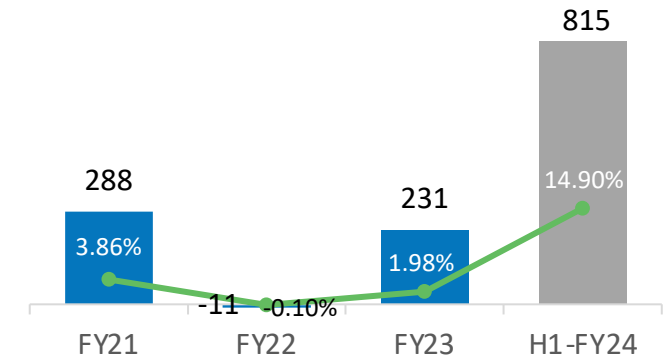
OPERATIONAL REVENUE (INR MN)



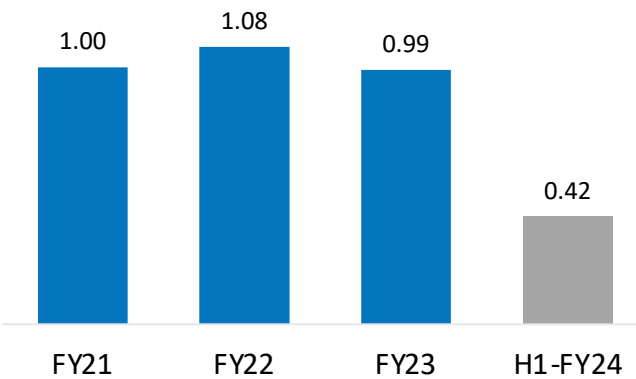
EBIDTA (INR MN) & EBITDA MARGINS (%)



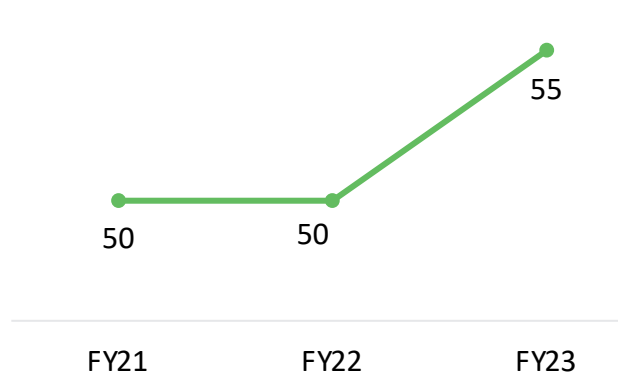
PAT (INR MN) & PAT MARGINS (%)



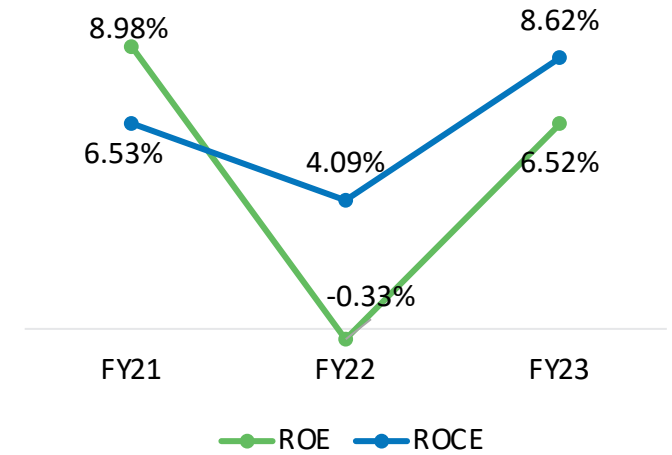
NET DEBT TO EQUITY (X)

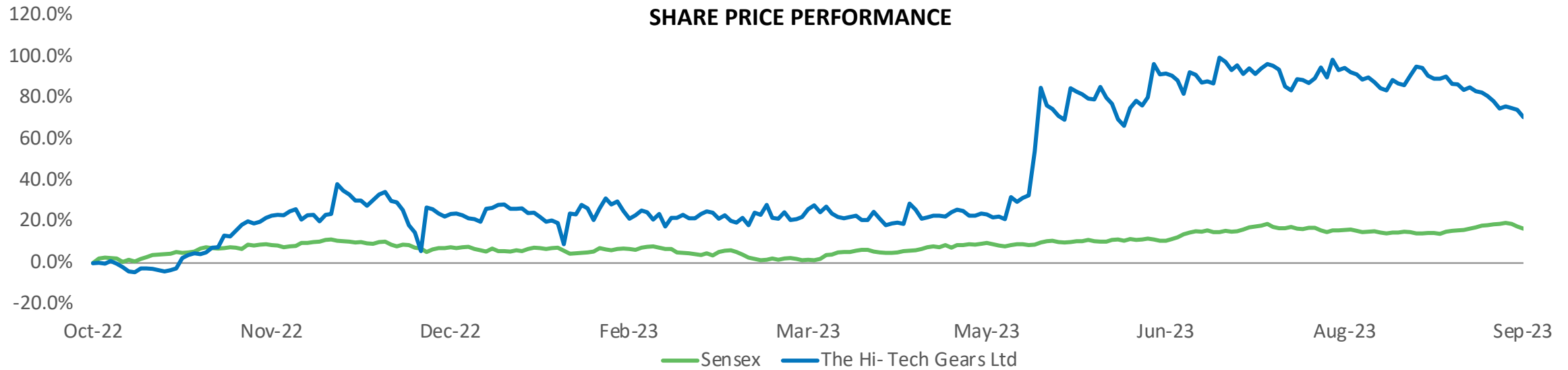


CASH CONVERSION CYCLE (DAYS)



ROCE (%) AND ROE(%)

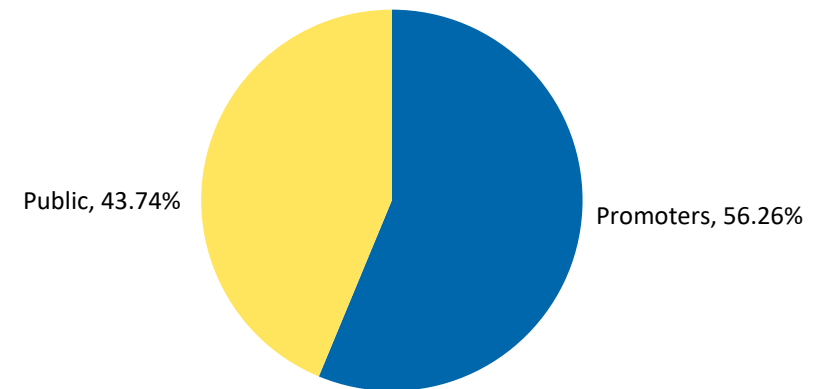




MARKET DATA (INR) AS ON 30TH SEPTEMBER, 2023

Face Value	10.0
CMP	355.45
52 Week H/L	427.0/192.0
Market Cap (INR Mn)	6,671.79
Shares O/S (Mn)	18.77
Avg. Volume ('000)	25.15

SHAREHOLDING PATTERN AS ON 30TH SEPTEMBER, 2023



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