

EARNING PRESENTATION
Q2/H1-FY25





37 Years
Of Experience



5
Manufacturing
Plants



2,500+
Employees



10+
Exports to
Countries



Marquee
Global Customers



**Strategic
Partners**
to Major Auto
OEMs



14%
3 Year
Revenue CAGR



58%
3 Year PAT CAGR

- 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 seven 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 – On Highway and Agri and Off Highway 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

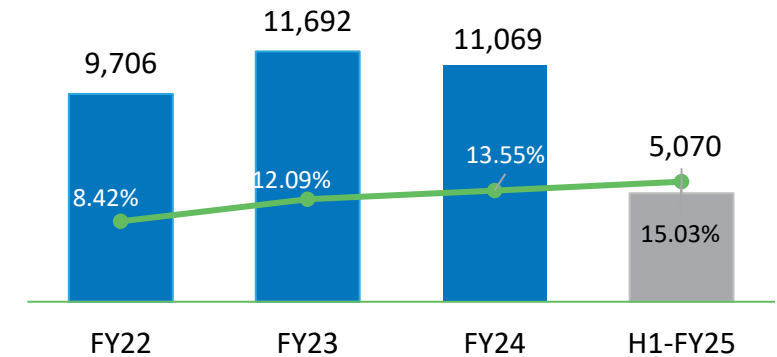
“Be A Global Footprint Company and A Benchmark For World Class Manufacturing Systems”

The Hi-Tech Gears Mission

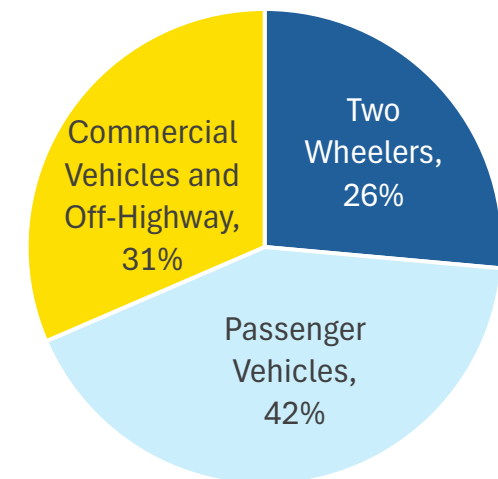
We will be the preferred partner in delivering engineering products and design solutions through lean philosophy with a focus on:

- 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 (%)



FY24 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**



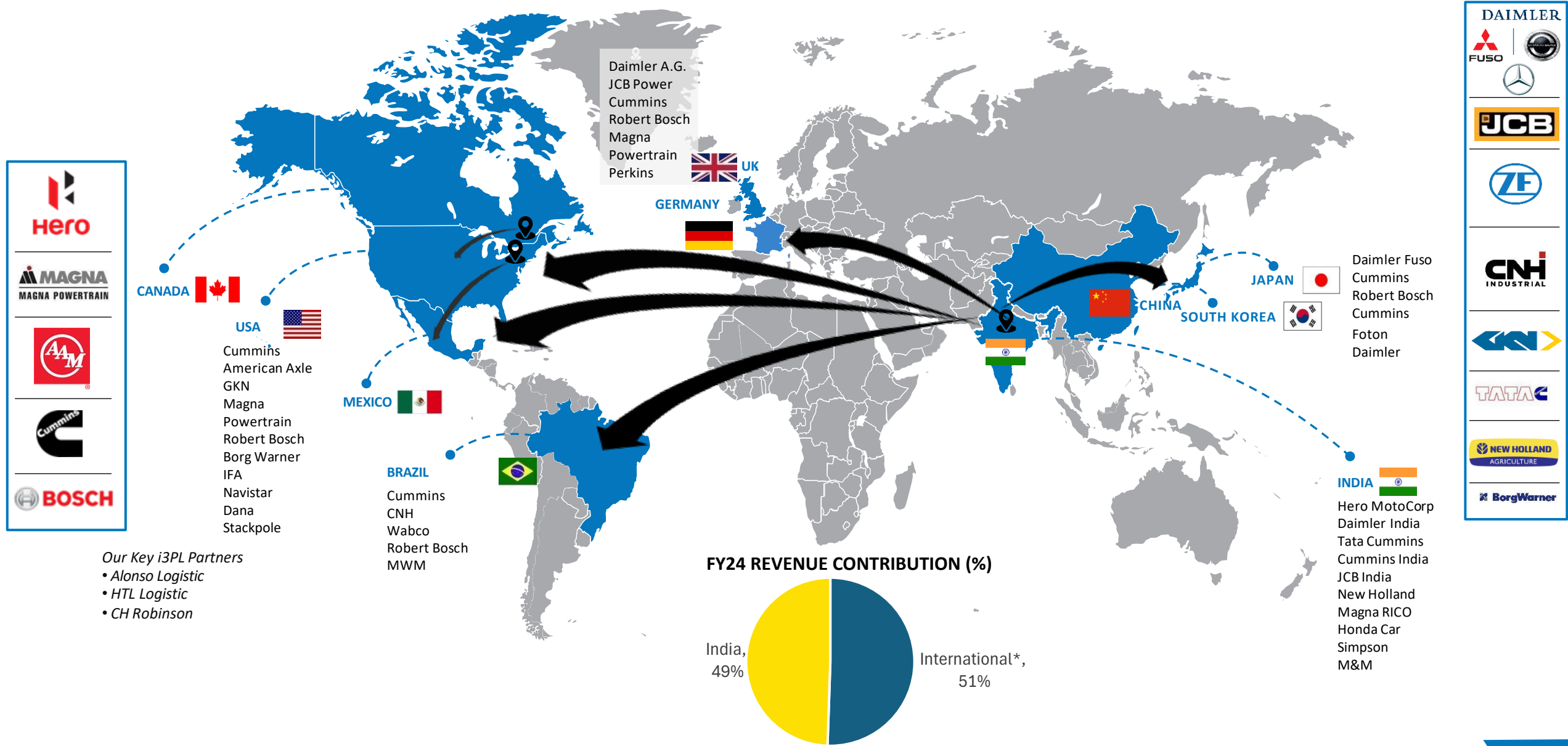
Long-standing strong relationships with customers and suppliers



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



Entrepreneurial, Empowered, loyal & committed team



* 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



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

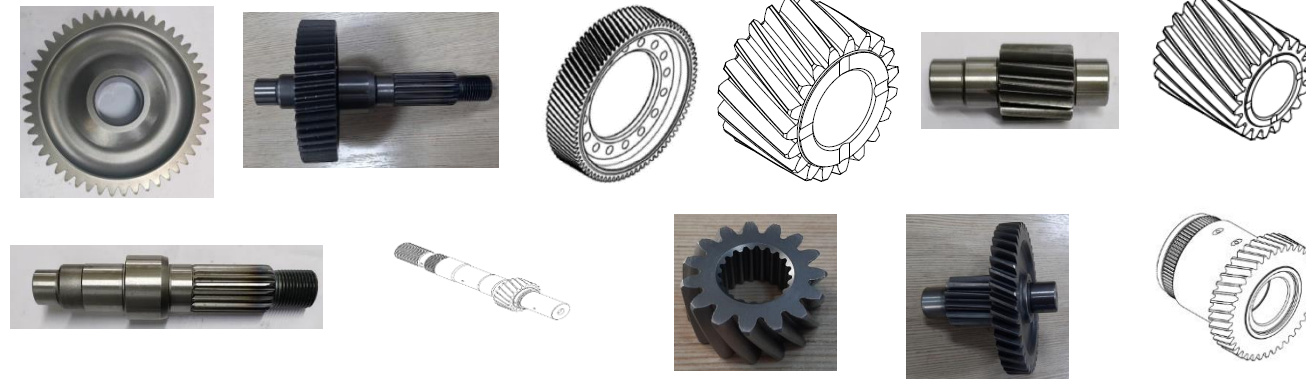
Electric Vehicle Components

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

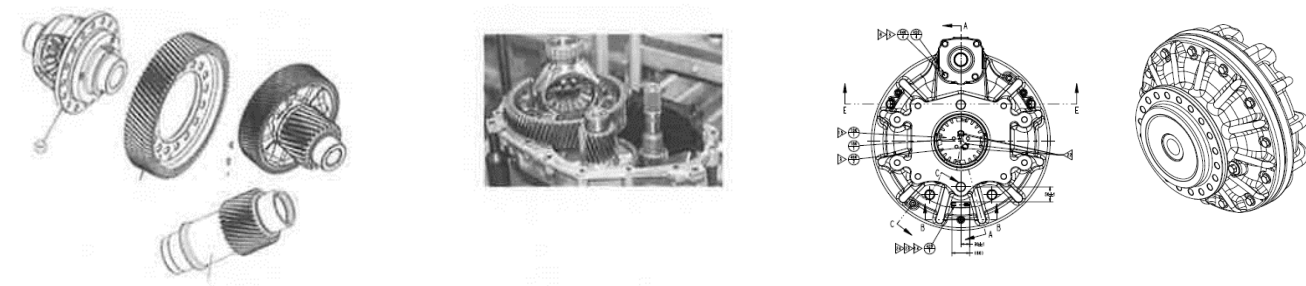


Advance Technology Components

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

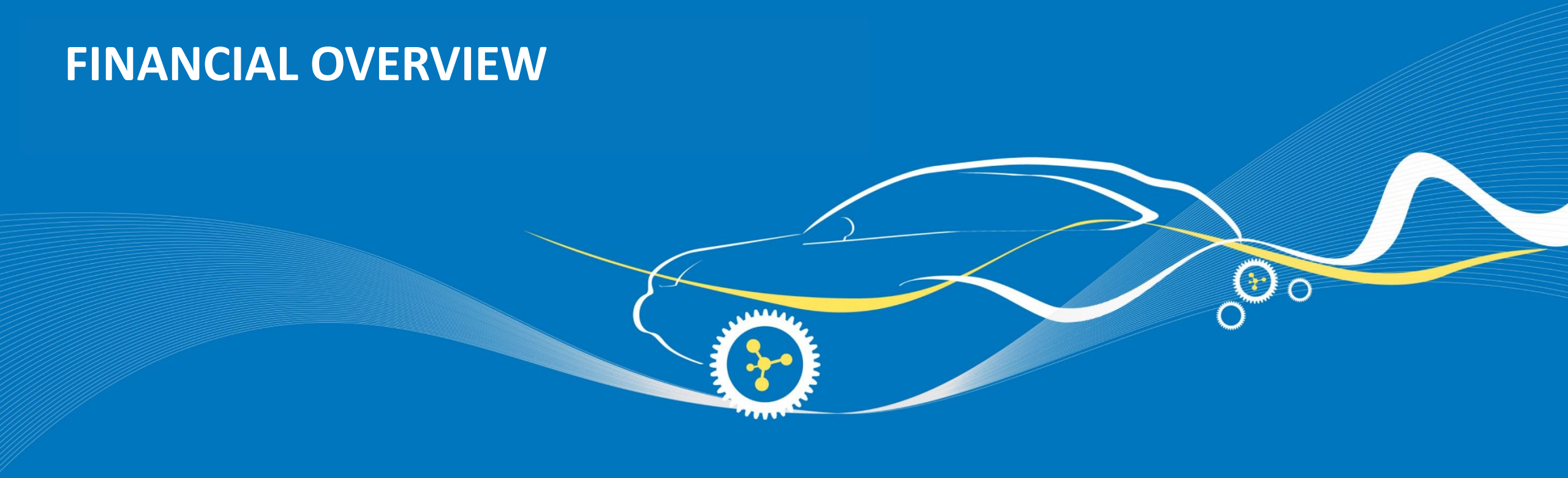


Won EV business from Hero Moto Corp and Dana – currently in Production

Active quotes across customers in EV space



FINANCIAL OVERVIEW



Q2-FY25 Consolidated Highlights

INR 2,464 Mn	INR 352 Mn	14.29%
Operational Income	Operational EBITDA	EBITDA
-13.1% YoY	0.3% YoY	Margin
INR 154 Mn	INR 95 Mn	3.86%
PBT #	Net Profit *	PAT Margin
105.3% YoY	-86.8% YoY	

H1 FY25 Consolidated Highlights

INR 5,070 Mn	INR 762 Mn	15.03%
Operational Income	Operational EBITDA	EBITDA
-7.3% YoY	11.6% YoY	Margin
INR 368 Mn	INR 238 Mn	4.69%
PBT #	Net Profit *	PAT Margin
85.9% YoY	-70.8% YoY	

Q2-FY25 Standalone Highlights

INR 1,731 Mn	INR 255 Mn	14.73%
Operational Income	Operational EBITDA	EBITDA
-14.9% YoY	0% YoY	Margin
INR 159 Mn	INR 122 Mn	7.05%
PBT	Net Profit	PAT Margin
15.2% YoY	20.8% YoY	

H1 FY25 Standalone Highlights

INR 3,524 Mn	INR 532 Mn	15.10%
Operational Income	Operational EBITDA	EBITDA
-8.1% YoY	8.1% YoY	Margin
INR 346 Mn	INR 265 Mn	7.52%
PBT	Net Profit	PAT Margin
26.3% YoY	29.9% YoY	

Note: # PBT doesn't include one-time income of INR 770 Mn in the overseas subsidiary in Q2 FY24

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

- Standalone India business has witnessed reduction in revenue due to lower sales in commercial vehicle segment, which has been partially compensated by higher take-off in Passenger Car export business.
- Standalone India business profitability driven by:
 - Optimization and control of manufacturing expenses
 - Raw Material consumption reduced on account of better yield achievement & reduction in prices.
 - 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 lower demand driven by uncertain and volatile operating environment.
- Despite lower sales, profitability improved against FY24 (excl. exceptional income of ₹ 772 Mn) in the Overseas operations on account of:
 - Productivity improvements and reduction in head count resulting in lower break-even levels.
 - Continuous improvement on improving internal efficiencies and reducing conversion costs.
- Long-term borrowings have reduced significantly on a YoY basis
 - Reduction in standalone borrowings ~ 372 Mn (Outstanding as on 30th September 2023 was ~ INR 689 Mn)
- Ramp-up of new programs like M&M SUVs (Bolero and Thar) and Jawa bikes are in progress as per plan
 - Volumes are expected to increase as share of business is attained along with increase in customer volumes
- The company is focused on improving asset utilizations 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)	Q2-FY25	Q2-FY24	Y-O-Y	Q1-FY25	Q-O-Q
Operational Revenue	2,464	2,836	(13.1)%	2,606	(5.4)%
Total Expenses	2,112	2,485	(15.0%)	2,196	(3.8)%
EBITDA	352	351	0.3%	410	(14.1)%
EBITDA Margin (%)	14.29%	12.38%	191 Bps	15.7%	(144) Bps
Depreciation and amortisation	160	150	6.7%	156	2.6%
Finance costs	57	139	(59.0)%	65	(12.3)%
Other Income	19	13	46.2%	24	(20.8)%
PBT before exceptional items	154	75	NA	213	(27.7)%
Exceptional Items	0	772	NA	0	NA
PBT	154	847	(81.8)%	213	(27.7)%
Tax Expense	59	125	(52.8)%	71	(16.9)%
PAT	95	722	(86.8)%	142	(33.1)%
PAT Margin (%)	3.86%	25.46%	NA	5.41%	(159) Bps
Other Comprehensive Income	13	12	8.3%	(23)	NA
Total Comprehensive Income	108	734	(85.3)%	119	(9.2)%
Diluted EPS	5.07	38.38	(86.8)%	7.57	(33.0)%

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

PARTICULARS (INR MN)	Q2-FY25	Q2-FY24	Y-O-Y	Q1-FY25	Q-O-Q
Operational Revenue	1,731	2,033	(14.9)%	1,794	(3.5)%
Total Expenses	1,476	1,778	(17.0)%	1,516	(2.7)%
EBITDA	255	255	NA	278	(7.9)%
<i>EBITDA Margin (%)</i>	14.73%	12.54%	219 Bps	15.47%	(71) Bps
Depreciation and amortisation	82	80	2.5%	79	3.8%
Finance costs	31	47	(34.0)%	35	(11.4)%
Other Income	17	10	70.0%	25	(32.0)%
PBT	159	138	15.2%	188	(15.4)%
Tax Expense	37	37	NA	44	(15.9)%
PAT	122	101	20.8%	144	(15.3)%
<i>PAT Margin (%)</i>	7.05%	4.97%	208 Bps	7.90%	(98) Bps
Other Comprehensive Income	(18)	0	NA	(14)	20.0%
Total Comprehensive Income	104	101	3.0%	129	(19.4)%
Diluted EPS	6.47	5.35	20.9%	7.64	(15.3)%

PARTICULARS (INR MN)	H1 FY25	H1 FY24	Y-O-Y
Operational Revenue	5,070	5,471	(7.3)%
Total Expenses	4,308	4,788	(10.0)%
EBITDA	762	683	11.6%
EBITDA Margin (%)	15.03%	12.48%	255 Bps
Depreciation and amortisation	316	300	5.3%
Finance costs	121	229	(47.2)%
Other Income	43	44	(2.3)%
PBT before exceptional items	368	198	85.9%
Exceptional Items	0	772	NA
PBT	368	970	(62.1)%
Tax Expense	130	155	(16.1)%
PAT	238	815	(70.8)%
PAT Margin (%)	4.69%	14.78%	NA
Other Comprehensive Income	(11)	31	NA
Total Comprehensive Income	227	846	(73.2)%
Diluted EPS	12.64	43.33	(70.8)%

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

PARTICULARS (INR MN)	H1 FY25	H1 FY24	Y-O-Y
Operational Revenue	3,524	3,835	(8.1)%
Total Expenses	2,992	3,343	(10.5)%
EBITDA	532	492	8.1%
<i>EBITDA Margin (%)</i>	15.10%	12.82%	227 Bps
Depreciation and amortisation	162	161	0.6%
Finance costs	66	95	(30.5)%
Other Income	42	38	10.5%
PBT	346	274	26.3%
Tax Expense	81	70	15.7%
PAT	265	204	29.9%
<i>PAT Margin (%)</i>	7.52%	5.26%	220 Bps
Other Comprehensive Income	(31)	0	NA
Total Comprehensive Income	234	204	14.7%
Diluted EPS	14.11	10.83	30.3%

Particulars (INR Mn)	FY22	FY23	FY24	H1 FY25
Revenue from Operations	9,706	11,692	11,069	5,070
Expenses	8,889	10,278	9,570	4,308
EBITDA	817	1,414	1,499	762
<i>EBITDA Margins (%)</i>	8.42%	12.09%	13.55%	15.03%
Depreciation and amortisation	523	822	612	316
Finance costs	264	332	378	121
Other Income	79	79	99	43
PBT before exceptional items	109	339	609	368
Exceptional Items	-	-	770	0
Profit before tax	109	339	1379	368
Tax expense	120	108	237	130
PAT	(11)	231	1,143*	238
<i>PAT Margins (%)</i>	NA	1.96%	10.33%	4.69%
Other Comprehensive income	149	30	18	(11)
Total Comprehensive income	138	261	1,160	227
Diluted EPS (INR)	(0.59)	12.3	60.73	12.64

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	H1 FY25
Revenue from Operations	6,446	7,818	7,800	3,524
Expenses	5,497	6,725	6,748	2,992
EBITDA	949	1,093	1,052	532
<i>EBITDA Margins (%)</i>	14.72%	13.98%	13.49%	15.10%
Depreciation and amortisation	304	316	316	162
Finance costs	179	171	182	66
Other Income	71	88	93	42
Profit before tax	537	694	647	346
Tax expense	152	191	155	81
PAT	385	503	493	265
<i>PAT Margins (%)</i>	5.91%	6.36%	6.24%	7.52%
Other Comprehensive income	68	4	4	(31)
Total Comprehensive income	453	507	497	234
Diluted EPS (INR)	20.52	26.79	26.19	14.11

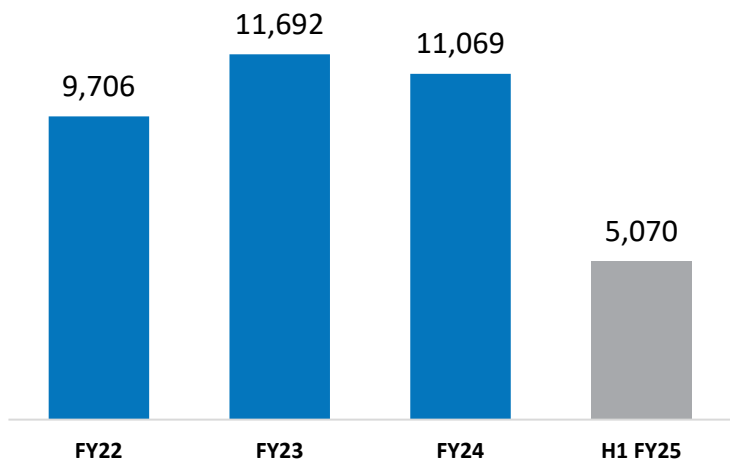
PARTICULARS (INR MN)	FY22	FY23	FY24	H1 FY25
NON-CURRENT ASSETS	5,924	5,390	4,925	4,959
a) Property, plant and equipment	3,871	3,853	3,417	3,310
b) Capital work-in-progress	382	132	37	24
c) Right of Use Assets	271	263	409	593
d) Other Intangible assets	581	526	479	457
f) Goodwill	557	314	320	326
g) Financial assets				
i) Investments	122	122	123	123
ii) Loans	3	1	1	0
iii) Other Financial Assets	38	46	87	89
i) Deferred Tax Assets (Net)	-	83	-	-
J) Other non-current assets	99	50	55	37
CURRENT ASSETS	4,099	4,465	4,159	3,833
a) Financial Assets				
i) Trade Receivables	1,739	2,086	2,004	1,811
ii) Cash and cash equivalents	609	334	140	264
iii) Bank balances other than above	258	464	399	224
iv) Loans	5	7	2	2
v) Other financial assets	87	87	61	37
b) Current Tax Assets (Net)	19	28	31	30
b) Other current assets	221	223	285	248
d) Inventories	1,161	1,235	1,236	1,217
TOTAL ASSETS	10,023	9,855	9,084	8,792

PARTICULARS (INR MN)	FY22	FY23	FY24	H1 FY25
EQUITY	3,308	3,545	4,662	4,893
Equity Share Capital	188	188	188	188
Other Equity	3,120	3,357	4,474	4,705
NON-CURRENT LIABILITIES	3,296	2,474	1,486	1,553
a) Financial Liabilities				
i) Borrowings	2,992	2,196	530	400
ii) Lease Liability	221	205	905	1,060
b) Provisions	34	38	38	34
c) Deferred tax liabilities (net)	36	25	3	51
d) Other Non- Current Liabilities	13	10	9	8
CURRENT LIABILITIES	3,419	3,836	2,937	2,346
a) Financial Liabilities				
i) Borrowings	1,448	2,136	1,416	991
ii) Lease Liabilities	45	35	134	159
iii) Trade Payables	1,433	1,206	1,076	774
iv) Other financial liabilities	364	330	222	325
b) Other current liabilities	86	105	53	57
c) Provisions	43	24	37	40
TOTAL EQUITY AND LIABILITIES	10,023	9,855	9,084	8,792

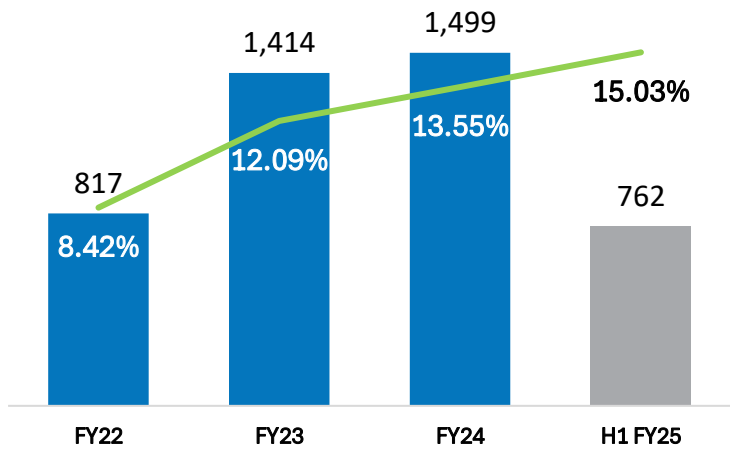
PARTICULARS (INR MN)	FY22	FY23	FY24	H1 FY25
NON-CURRENT ASSETS	4,266	4,089	4,016	4,167
a) Property, plant and equipment	1,935	1,840	1,791	1,791
b) Capital work-in-progress	160	126	32	17
c) Right of Use Assets	271	263	332	520
d) Other Intangible assets	9	7	7	7
f) Financial assets				
i) Investments	1,671	1,671	1,663	1,665
ii) Loans	81	79	79	73
iii) Other Financial Assets	40	53	56	58
J) Other non-current assets	99	50	55	36
CURRENT ASSETS	2,835	3,193	3,005	2,832
a) Inventories	786	789	854	903
a) Financial Assets				
i) Trade Receivables	1,252	1,518	1,421	1,276
ii) Cash and cash equivalents	256	129	60	225
iii) Bank balances other than above	258	464	399	224
iv) Loans	3	4	2	2
v) Other financial assets	78	78	24	1
b) Current Tax Assets (Net)	19	26	30	27
c) Other current assets	183	185	215	174
TOTAL ASSETS	7,101	7,282	7,021	6,999

PARTICULARS (INR MN)	FY22	FY23	FY24	H1 FY25
EQUITY	3,493	3,976	4,431	4,668
Equity Share Capital	188	188	188	188
Other Equity	3,305	3,788	4,243	4,480
NON-CURRENT LIABILITIES	1,239	664	632	708
a) Financial Liabilities				
i) Borrowings	936	386	304	210
ii) Lease Liability	221	205	272	442
b) Provisions	34	38	38	34
c) Deferred tax liabilities (net)	35	25	8	13
d) Other Non- Current Liabilities	13	10	9	9
CURRENT LIABILITIES	2,369	2,642	1,958	1,623
a) Financial Liabilities				
i) Borrowings	884	1,372	854	646
ii) Lease Liabilities	44	35	42	68
iii) Trade Payables	1,031	843	793	534
iv) Other financial liabilities	283	264	179	280
b) Other current liabilities	84	104	53	56
c) Provisions	43	24	37	39
TOTAL EQUITY AND LIABILITIES	7,101	7,282	7,021	6,999

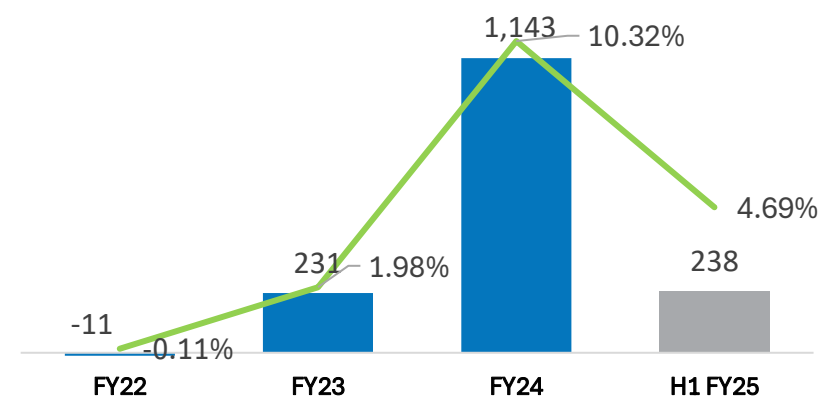
OPERATIONAL REVENUE (INR MN)



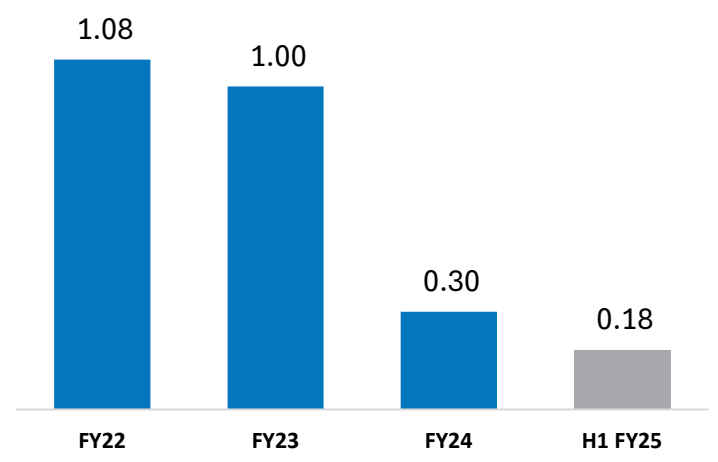
EBITDA (INR MN) & EBITDA MARGINS (%)



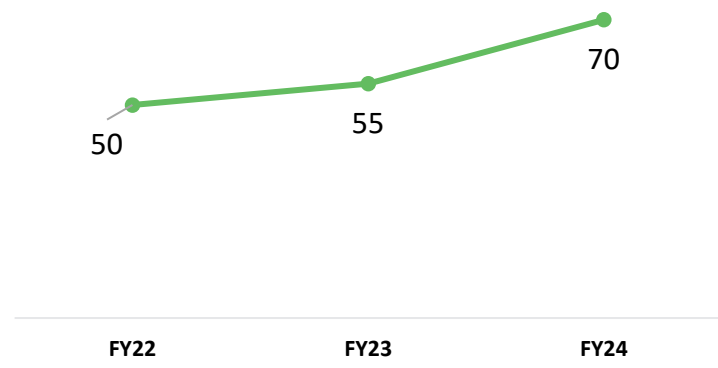
PAT (INR MN) & PAT MARGINS (%)



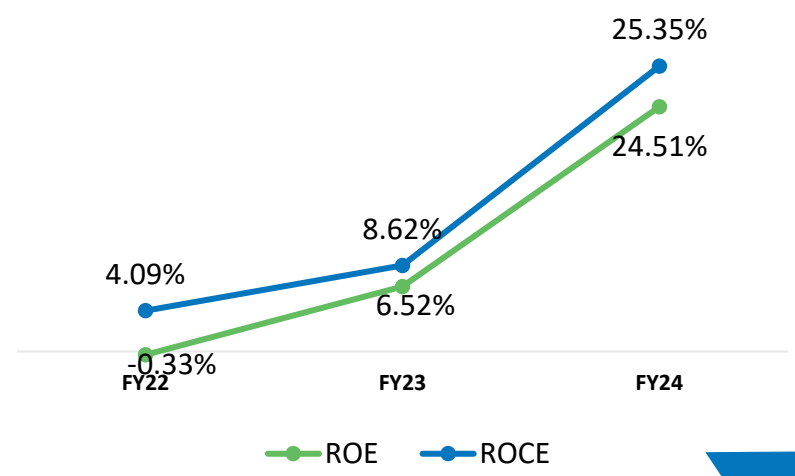
Net Debt to Equity (X)



CASH CONVERSION CYCLE (DAYS)

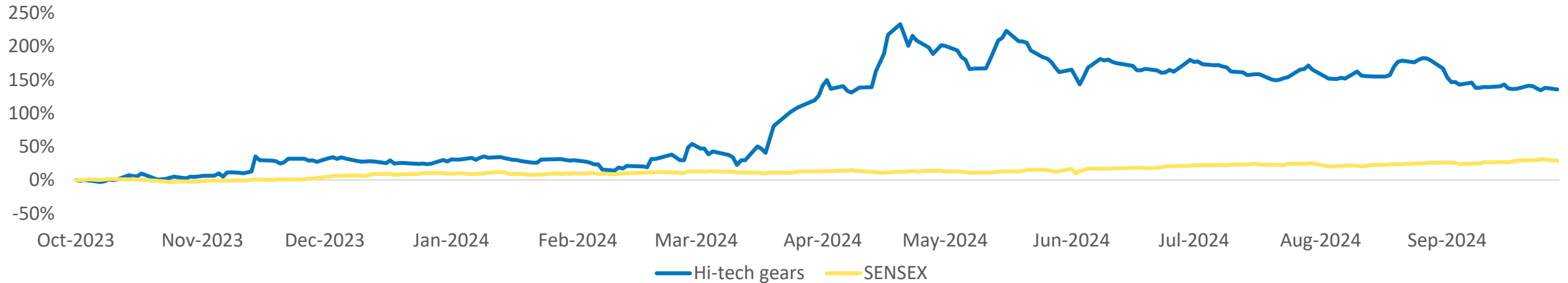


ROCE (%) AND ROE (%)



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

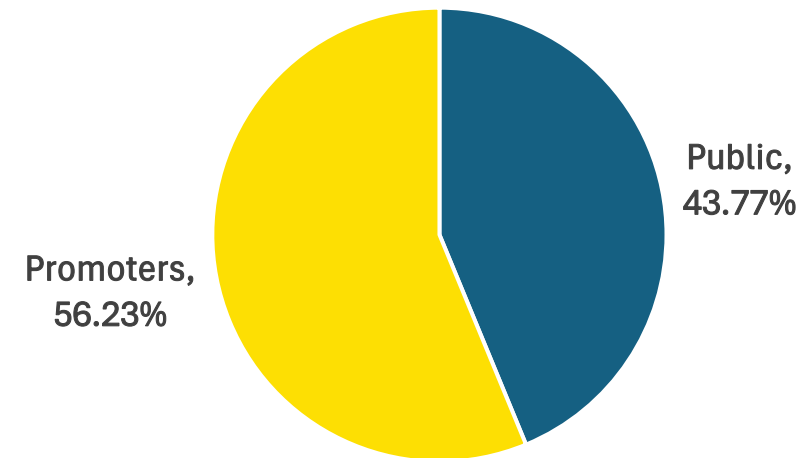
SHARE PRICE PERFORMANCE



MARKET DATA (INR) AS ON 30th SEPTEMBER, 2024

Face Value	10.00
CMP	866.00
52 Week H/L	1,275.75/353.00
Market Cap (INR Mn)	16,261.91
Shares O/S (Mn)	18.78
Avg. Volume ('000)	63.12

SHAREHOLDING PATTERN AS ON 30th SEPTEMBER, 2024



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THANK YOU

