

EARNING PRESENTATION

Q3/9M-FY24





37 Years
Of Experience

5
Manufacturing
Plants

2,500+
Employees

10+
Exports to
Countries

Marquee
Global Customers

**Strategic
Partners**
to Major Auto
OEMs

17%
3 Year
Revenue CAGR

41%
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 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

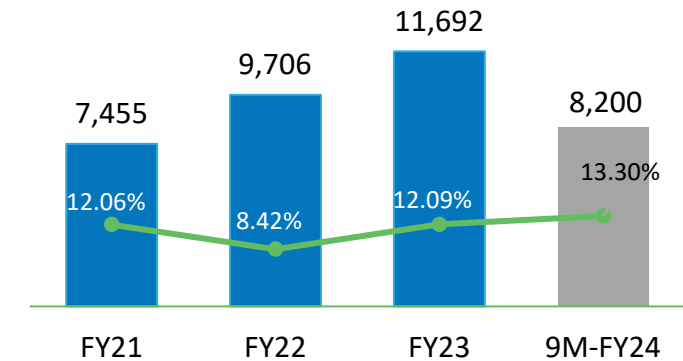
“Be A Global Footprint Company and
A Benchmark For World Class
Manufacturing Systems”

The Hi-Tech Gears Mission

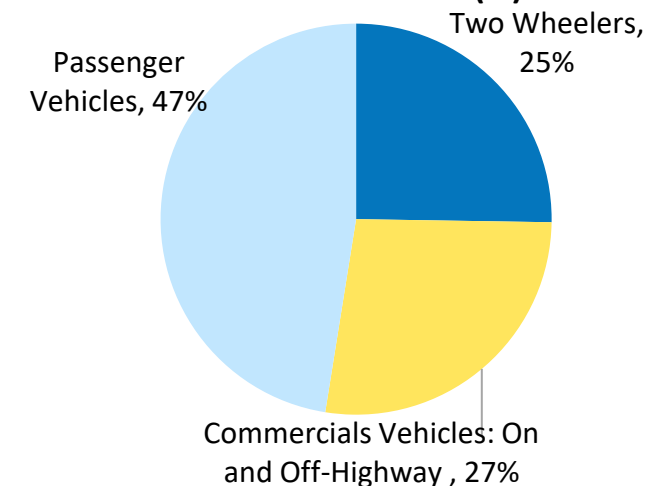
We will be the preferred partner in delivering engineering products and design solutions through lean philosophy with a focus on:

- 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 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**



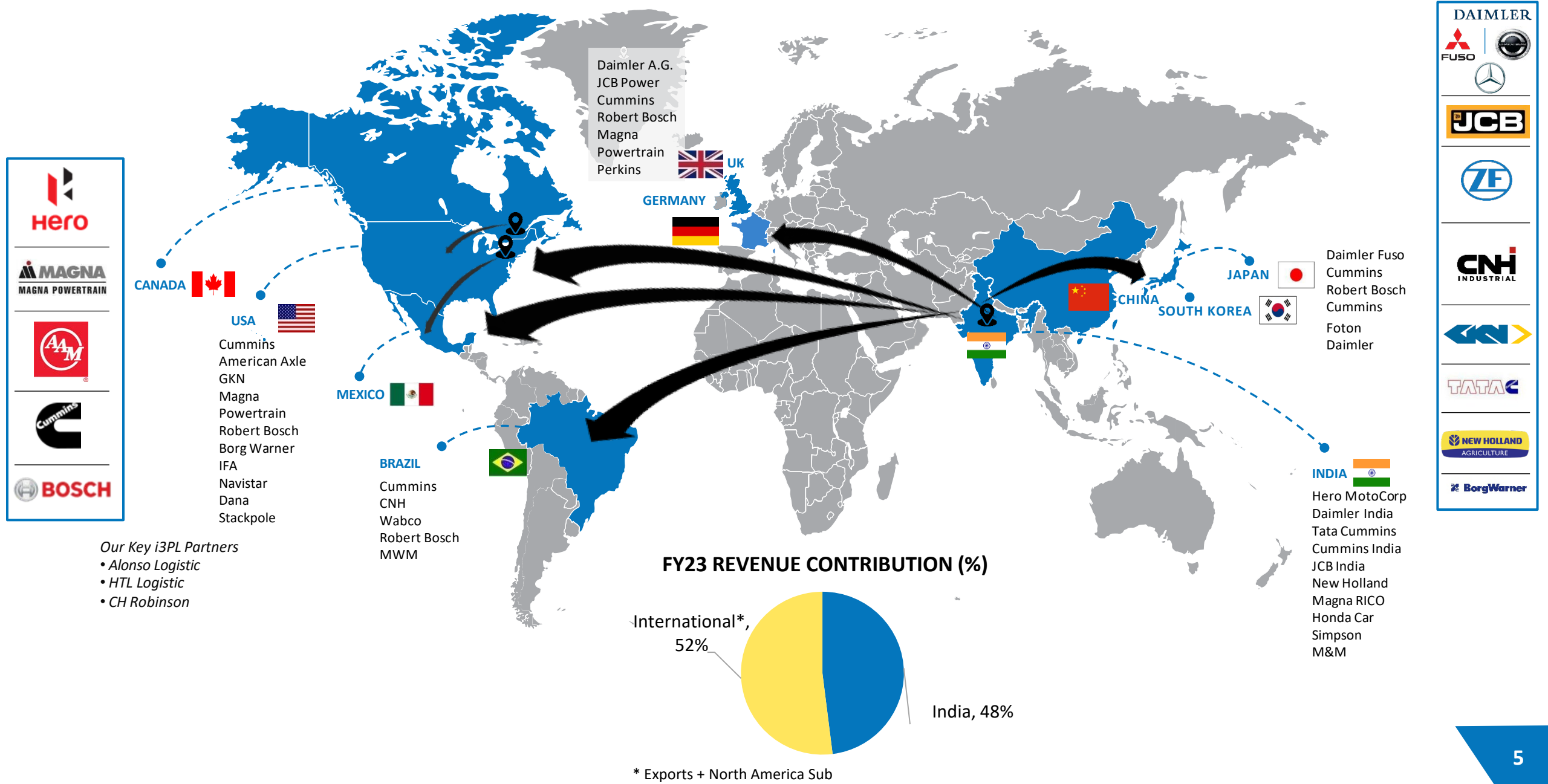
Long-standing strong relationships with customers and suppliers



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



Entrepreneurial, Empowered, loyal & committed team



TWO-WHEELER						
						
MEDIUM & HEAVY COMMERCIAL VEHICLES						
						
PASSENGER CARS						
						
AGRI, ENGINES AND OFF-HIGHWAY						
						



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



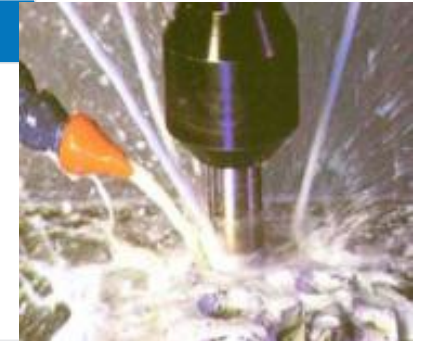
Finishing

- 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

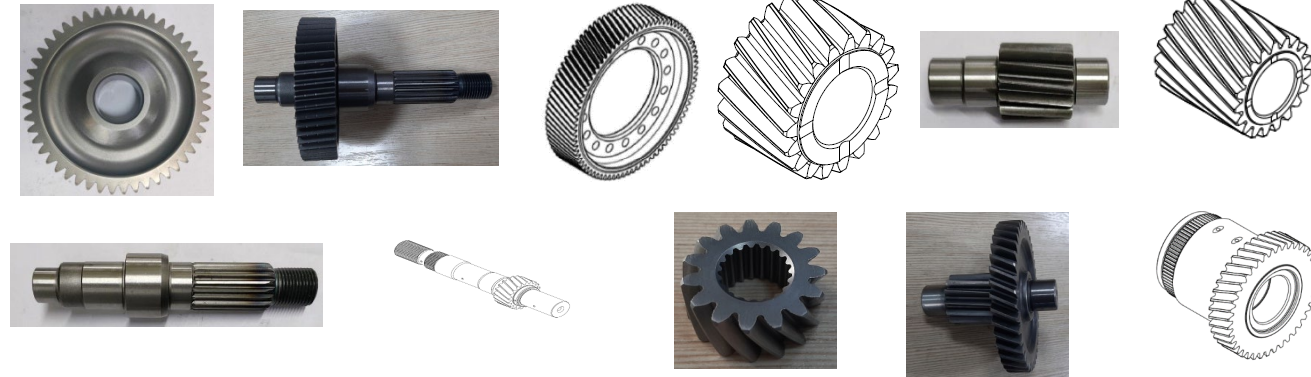
Electric Vehicle Components

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

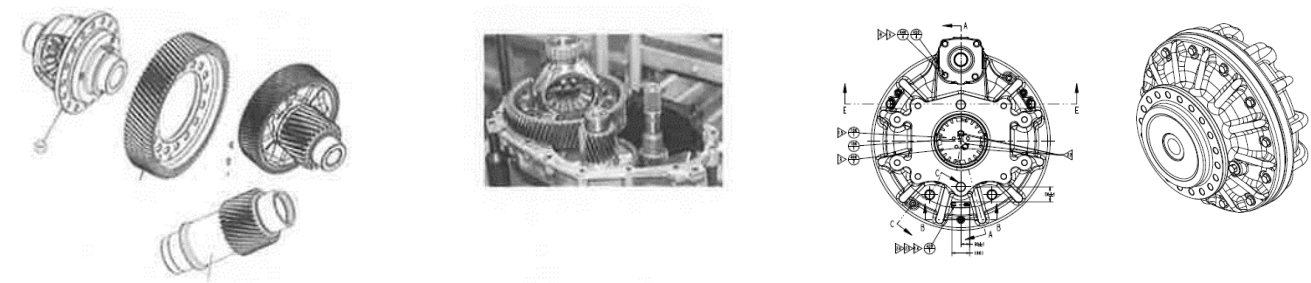


Advance Technology Components

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



Q3-FY24 Consolidated Highlights

INR 2,729 Mn Operational Income -1.6% YoY*	INR 408 Mn EBITDA +7.9% YoY	INR 149 Mn Net Profit +473% YoY
INR 7.93 Diluted EPS	14.95% EBITDA Margins	5.46% PAT Margins

9M-FY24 Consolidated Highlights

INR 8,200 Mn Operational Income -7.1% YoY	INR 1,091 Mn EBITDA +0.9% YoY	INR 964 Mn ** Net Profit +1,383% YoY
INR 51.29 Diluted EPS	13.30% EBITDA Margins	11.76% PAT Margins

Q3-FY24 Standalone Highlights

INR 1,936 Mn Operational Income +5.3% YoY	INR 288 Mn EBITDA +5.5% YoY	INR 127 Mn Net Profit +5.8% YoY
INR 6.74 Diluted EPS	14.88% EBITDA Margins	6.56% PAT Margins

9M-FY24 Standalone Highlights

INR 5,770 Mn Operational Income -2.7% YoY	INR 780 Mn EBITDA -7.6% YoY	INR 331 Mn Net Profit -11.7% YoY
INR 17.58 Diluted EPS	13.52% EBITDA Margins	5.74% PAT Margins

Note: * Year on Year Growth

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

- Standalone India business revenues increased YoY on account of higher take-off in Commercial Vehicle and Two-Wheeler customers.
- Standalone India business profitability has improved compared to previous year and last quarter on account of reduction in fixed costs, decrease in export costs and control of overheads
- North American business revenues declined due to lower offtake by one of the customers.
- Despite low sales, profitability improved significantly in the Overseas operations on account of:
 - Productivity improvements through automation, layout changes and reduction in head count resulting in lower break-even
 - Internal efficiency improvements on power costs, repair and maintenance expenses, rejection, insurance cost, consumables and tools
- Consolidated revenue share of Two-Wheeler (TW) was ~ 27%; Commercial Vehicle (CV), Agriculture and Off-road was ~ 31% and Passenger Car (PC) was ~ 41%.
- As on 31st December 2023, the company has reduced its long-term debt further, and the Net Debt to Equity ratio stood at 0.37x versus 0.99x as on 31st March 2023.
- 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

9M-FY24

New business won ~ ₹ 509 Mn annualized

Current Customer
₹ 187 Mn

New Customer
₹ 322 Mn

Entry into Indian Passenger Car customers

New Customers



EV Customers



Pivot on EV and new customer additions

PARTICULARS (INR MN)	Q3-FY24	Q3-FY23	Y-O-Y	Q2-FY24	Q-O-Q
Operational Revenue	2,729	2,772	(1.6)%	2,836	(3.8)%
Total Expenses	2,321	2,394	(3.0)%	2,485	(6.6)%
EBITDA	408	378	7.9%	351	16.2%
<i>EBITDA Margin (%)</i>	<i>14.95%</i>	<i>13.64%</i>	<i>131 Bps</i>	<i>12.38%</i>	<i>257 Bps</i>
Depreciation and amortisation	149	237	(37.1)%	150	(0.7)%
Finance costs	82	85	(3.5)%	139	(41.0)%
Other Income	22	22	0.0%	13	69.2%
PBT before exceptional items	199	78	NA	75	NA
Exceptional Items	(2)	-	NA	772	NA
PBT	197	78	NA	847	(76.7)%
Tax Expense	48	52	(7.7)%	125	(61.6)%
PAT	149	26	NA	722	(79.4)%
<i>PAT Margin (%)</i>	<i>5.46%</i>	<i>0.94%</i>	<i>452 Bps</i>	<i>25.46%</i>	<i>NA</i>
Other Comprehensive Income	20	16	25.0%	12	66.7%
Total Comprehensive Income	169	42	NA	734	(77.0)%
Diluted EPS	7.93	1.37	NA	38.38	NA

PARTICULARS (INR MN)	Q3-FY24	Q3-FY23	Y-O-Y	Q2-FY24	Q-O-Q
Operational Revenue	1,936	1,839	5.3%	2,033	(4.8)%
Total Expenses	1,648	1,566	5.2%	1,778	(7.3)%
EBITDA	288	273	5.5%	255	12.9%
<i>EBITDA Margin (%)</i>	<i>14.88%</i>	<i>14.85%</i>	<i>3 Bps</i>	<i>12.54%</i>	<i>234 Bps</i>
Depreciation and amortisation	79	77	2.6%	80	(1.3)%
Finance costs	50	43	16.3%	47	6.4%
Other Income	17	20	(15.0)%	10	70.0%
PBT	176	173	1.7%	138	27.5%
Tax Expense	49	53	(7.5)%	37	32.4%
PAT	127	120	5.8%	101	25.7%
<i>PAT Margin (%)</i>	<i>6.56%</i>	<i>6.53%</i>	<i>3 Bps</i>	<i>4.97%</i>	<i>159 Bps</i>
Other Comprehensive Income	(4)	(17)	76.5%	0	NA
Total Comprehensive Income	123	103	19.4%	101	21.8%
Diluted EPS	6.74	6.38	5.6%	5.35	26.0%



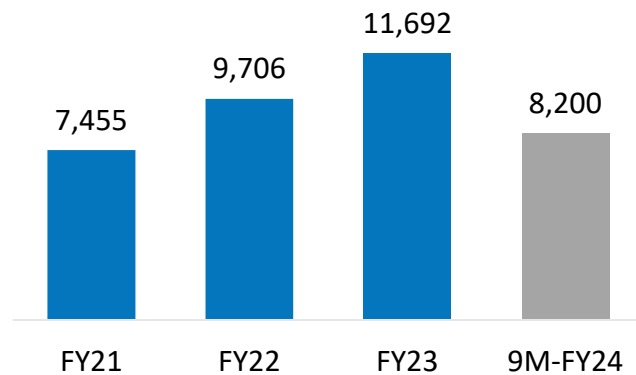
PARTICULARS (INR MN)	9M-FY24	9M-FY23	Y-O-Y
Operational Revenue	8,200	8,827	(7.1)%
Total Expenses	7,109	7,746	(8.2)%
EBITDA	1,091	1,081	0.9%
<i>EBITDA Margin (%)</i>	13.30%	12.25%	105 Bps
Depreciation and amortisation	449	670	(33.0)%
Finance costs	311	244	27.5%
Other Income	66	70	(5.7)%
PBT before exceptional items	397	237	67.5%
Exceptional Items	770	-	NA
PBT	1,167	237	NA
Tax Expense	203	172	18.0%
PAT	964	65	NA
<i>PAT Margin (%)</i>	11.76%	0.74%	NA
Other Comprehensive Income	51	34	50.0%
Total Comprehensive Income	1,015	99	NA
Diluted EPS	51.29	3.45	NA

PARTICULARS (INR MN)	9M-FY24	9M-FY23	Y-O-Y
Operational Revenue	5,770	5,933	(2.7)%
Total Expenses	4,990	5,088	(1.9)%
EBITDA	780	845	(7.7)%
<i>EBITDA Margin (%)</i>	<i>13.52%</i>	<i>14.24%</i>	(72) Bps
Depreciation and amortisation	239	232	3.0%
Finance costs	145	127	14.2%
Other Income	55	71	(22.5)%
PBT	451	557	(19.0)%
Tax Expense	120	181	(33.7)%
PAT	331	376	(12.0)%
<i>PAT Margin (%)</i>	<i>5.74%</i>	<i>6.34%</i>	(60) Bps
Other Comprehensive Income	(4)	(1)	NA
Total Comprehensive Income	327	375	(12.3)%
Diluted EPS	17.58	20.00	(12.1)%

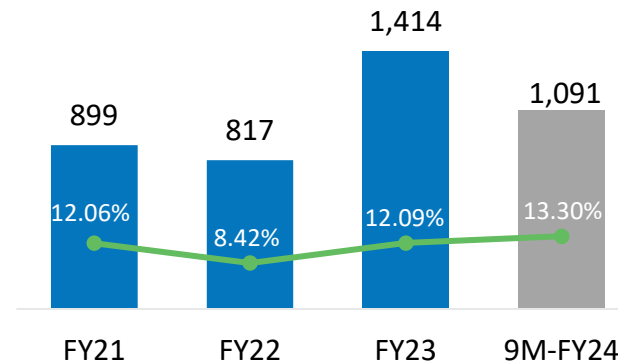
Particulars (INR Mn)	FY21	FY22	FY23	9M-FY24
Revenue from Operations	7,455	9,706	11,692	8,200
Expenses	6,556	8,889	10,278	7,109
EBITDA	899	817	1,414	1,091
<i>EBITDA Margins (%)</i>	<i>12.06%</i>	<i>8.42%</i>	<i>12.09%</i>	<i>13.30%</i>
Depreciation and amortisation	431	523	822	449
Finance costs	233	264	332	311
Other Income	105	79	79	66
PBT before exceptional items	340	109	339	397
Exceptional Items	-	-	-	770
Profit before tax	340	109	339	1,167
Tax expense	52	120	108	203
PAT	288	(11)	231	964
<i>PAT Margins (%)</i>	<i>3.86%</i>	<i>NA</i>	<i>1.98%</i>	<i>11.76%</i>
Other Comprehensive income	157	149	30	51
Total Comprehensive income	445	138	261	1,015
Diluted EPS (INR)	15.34	(0.59)	12.30	51.29

PARTICULARS (INR MN)	FY21	FY22	FY23	9M-FY24
Revenue from Operations	5,224	6,446	7,818	5,770
Expenses	4,400	5,497	6,725	4,990
EBITDA	824	949	1,093	780
<i>EBITDA Margins (%)</i>	<i>15.77%</i>	<i>14.72%</i>	<i>13.98%</i>	<i>13.52%</i>
Depreciation and amortisation	252	304	316	239
Finance costs	179	179	171	145
Other Income	103	71	88	55
Profit before tax	496	537	694	451
Tax expense	123	152	191	120
PAT	373	385	503	331
<i>PAT Margins (%)</i>	<i>7.14%</i>	<i>5.97%</i>	<i>6.43%</i>	<i>5.74%</i>
Other Comprehensive income	38	68	4	(4)
Total Comprehensive income	411	453	507	327
Diluted EPS (INR)	19.87	20.52	26.79	17.58

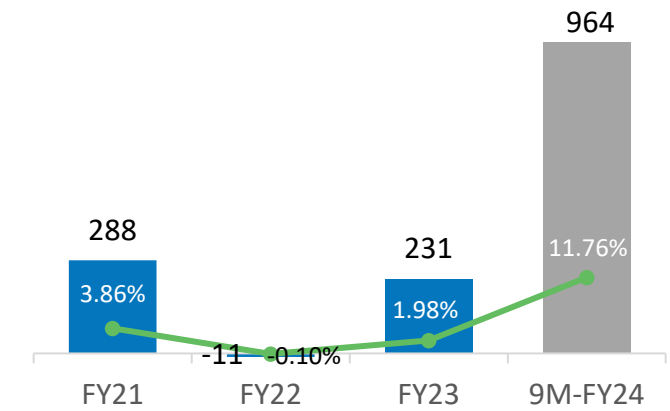
OPERATIONAL REVENUE (INR MN)



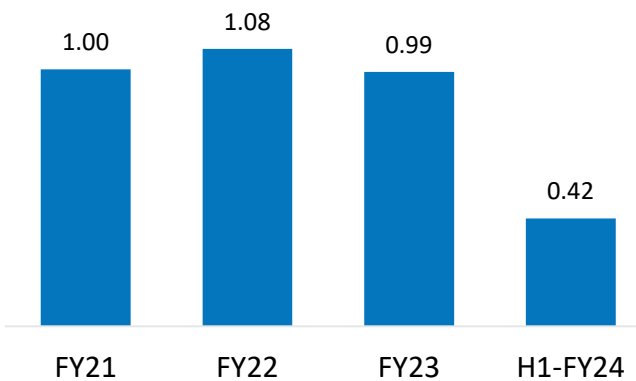
EBITDA (INR MN) & EBITDA MARGINS (%)



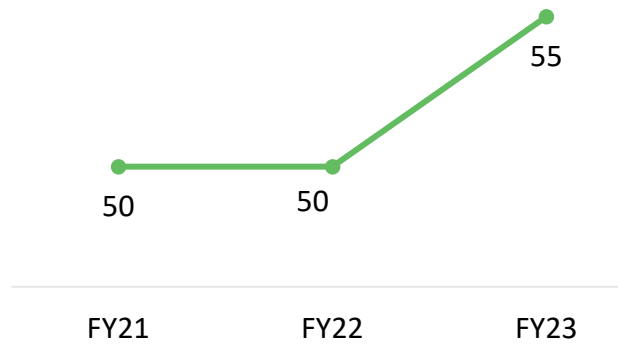
PAT (INR MN) & PAT MARGINS (%)



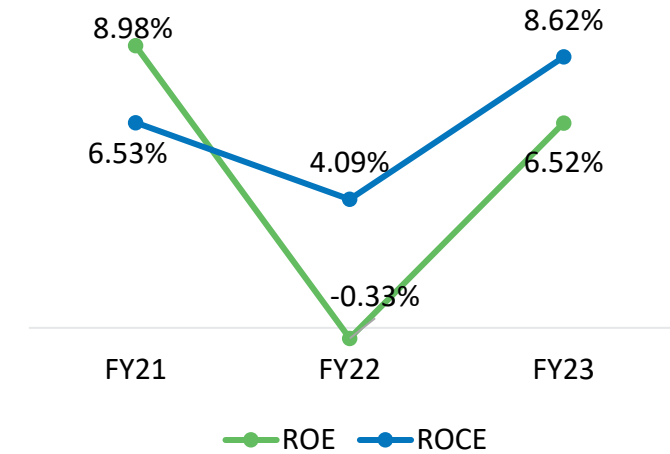
NET DEBT TO EQUITY (X)

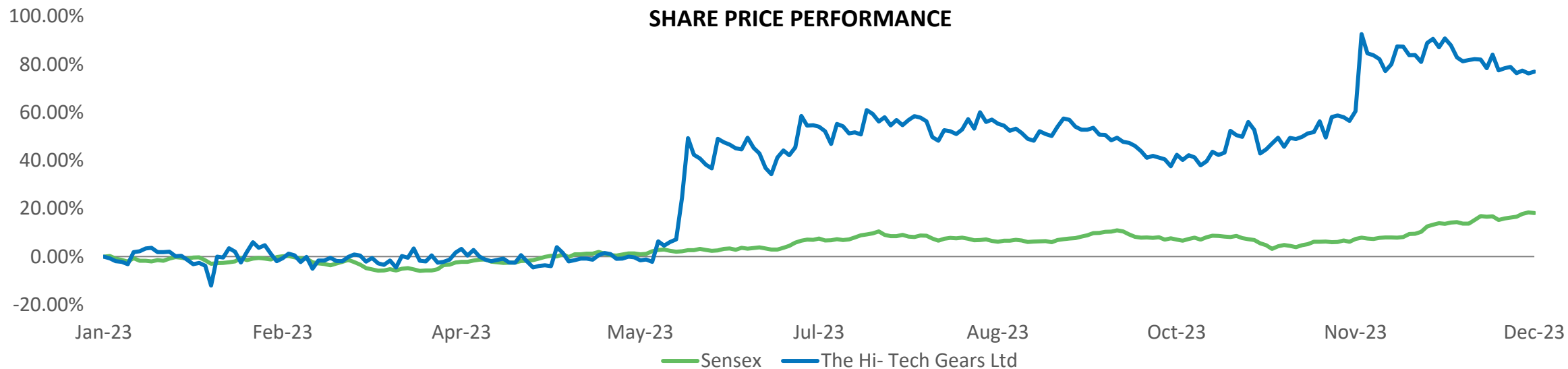


CASH CONVERSION CYCLE (DAYS)

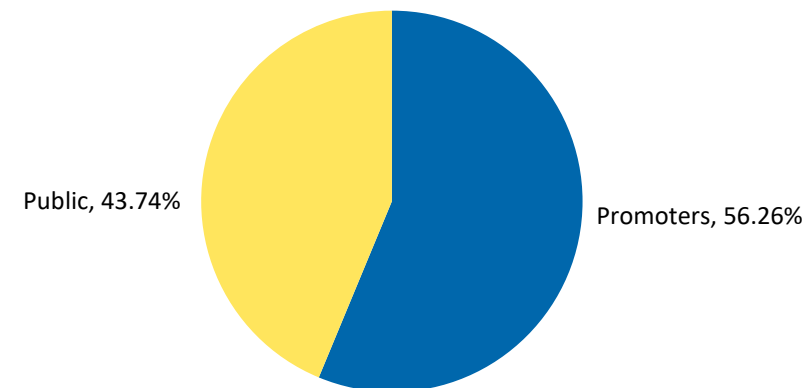


ROCE (%) AND ROE(%)



**MARKET DATA (INR) AS ON 31st December, 2023**

Face Value	10.0
CMP	457.00
52 Week H/L	518.3/226.1
Market Cap (INR Mn)	8576.97
Shares O/S (Mn)	18.77
Avg. Volume ('000)	37.25

SHAREHOLDING PATTERN AS ON 31ST DECEMBER, 2023

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THANK YOU

