



Divgi TorqTransfer Systems

Divgi TorqTransfer Systems Limited

CIN: L32201MH1964PLC013085

75, General Block, MIDC, Bhosari,

Pune 411 026, India

Tel: (+91-20) 63110110

Web: www.divgi-tts.com

Ref.: DTTS/Sec/24-25/49

August 10, 2024

To, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 BSE Scrip Code – 543812	To, National Stock Exchange of India Limited, "Exchange Plaza" 5th Floor, Plot No. C-1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 NSE Scrip Code - DIVGIITTS
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Sub: Investor Presentation

Ref.: Regulations 30 of the SEBI LODR Regulations, 2015.

Dear Sir / Madam,

Pursuant to Regulation 30 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), please find enclosed herewith the presentation on performance of the Company for the quarter ended June 30, 2024.

This is for your information and records.

Thanking you,

For Divgi TorqTransfer Systems Limited

Sanika Nirgude
Company Secretary and Compliance Officer
M No.: A71466

Enclosure: As above



Divgi TorqTransfer Systems®

Divgi TorqTransfer Systems Limited

Investor Presentation

Q1FY25

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Won Toyota Supplier of the year award for Second time

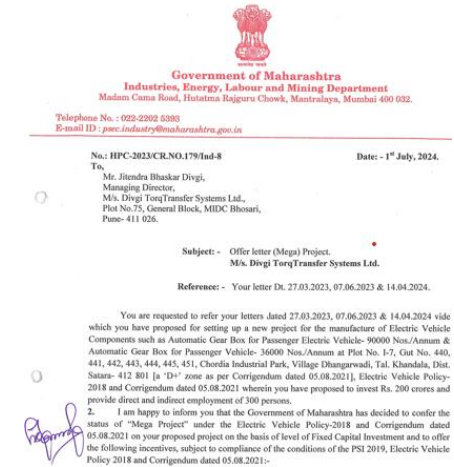


ZERO DEFECT -2023



SUPPLIER OF THE YEAR –
RUNNER UP'23

Received a 'Mega Offer Letter' from the Government of Maharashtra



Incentives

- i. Electricity Duty exemption for a period of 7 years from the date of commencement of commercial production.
- ii. 100% exemption from payment of Stamp Duty in accordance with the dispensation in this regard under the Government Notification Revenue and Forest Department No. Mudrank 2013/UOR- No.19/C.R.-235/M-I dated 16/10/2017.
- iii. Industrial Promotion Subsidy (IPS) equivalent to 100% of eligible investments made within a period of 5 years from 01.04.2021 to 31.03.2026 or to the extent of 50% amount of taxes payable under the Gross State Goods and Service Tax (SGST) within a period of 7 years @ 50% turnover, whichever is less.

Please note there are many predetermined conditions which company needs to fulfil to avail the incentives under the Mega Offer Letter.

Order from Prominent Indian Automotive player for transfer case business

Lifecycle Revenue of ~Rs. 800 crs

*Order is centered on the supply of a **transfer case** design tailored for a **commercial pick-up truck** product for **international markets***

***Multi-year contract**; executed over a period of 7 years **commencing from H2FY27** after product validation and approval.*

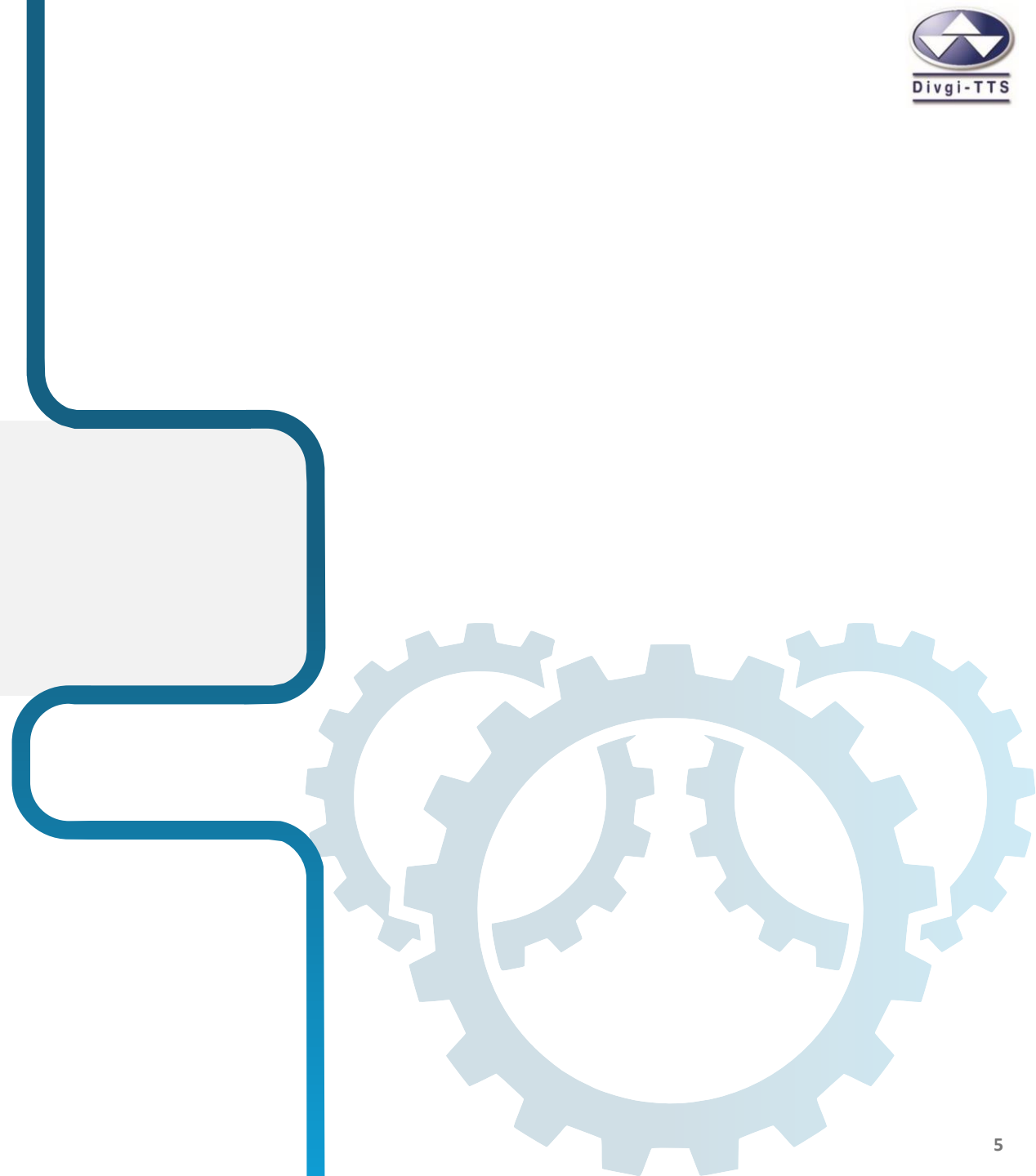
Commenting on this achievement Mr. Jitendra Divgi, Managing Director, Divgi TorqTransfer Systems Limited said,

“We are happy with this new award for our core transfer case product. Such a significant award from an existing marquee customer underscores our confidence that this segment will continue to contribute significantly to the Company’s overall growth.

Our Company’s superior technical capabilities have helped us acquire many such orders in the past and as the market grows, we are well positioned to win many more in the coming years.

We remain committed to grow the Company on a sustainable basis through increased product offerings, improved market share and wallet share with existing customers, and increasing export business share.”

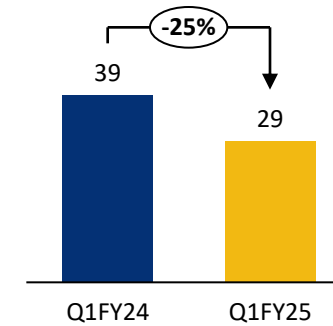
Q1FY25 Result Highlights



Quarterly Revenue-Walk

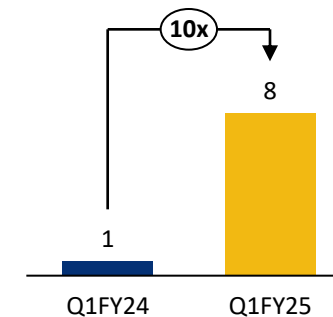
Particulars (Rs. In Cr.)	Q1FY25	Q1FY24	Y-o-Y	Q4FY24	Q-o-Q	FY24
Transfer Case	29.4	39.1	-25%	34.4	-14%	155.1
NexTrac	1.2	1.8		1.5		7.2
ALH	1.1	1.3		0.7		3.6
E-Gear Drive	7.8	0.7	10x	8.0	-2%	24.3
Synchro	3.6	2.2		3.2		12.4
Components	10.9	7.0	57%	10.8	1%	35.5
After Market	0.2	0.5		0.3		1.3
Tooling & Other Operating	(0.07)	4.0		6.2		14.1
Revenue From Operation	54.2	56.6	-4%	65.1	-17%	253.4
Other Income	5.2	5.1		5.1		19.6
Total Income	59.4	61.6	-4%	70.2	-15%	273.0

Transfer Cases (Rs. In Cr.)



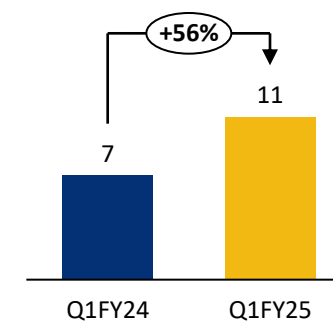
- Lower pickup in units from major OEM due to the launch of low-cost variant without 4WD
- Exploring global opportunities with existing customers on their new platforms

EV Transmissions (Rs. In Cr.)



- YoY growth is 10x although it was expected to be more
- Due to the industry wide slowdown in EV it remained flat on QoQ basis
- Expected to pick up in coming months on the back of new launches & restoration of subsidy scheme under FAME III

Components (Rs. In Cr.)



- Domestic order book is strengthening by the top-notch technology for manual transmission components & systems
- New products for both domestic and export market are at approval stage & expected to convert to orders from H2FY25
- Engaged in active development projects, addressing request-for-quotes to the extent of Rs. 600 crore

Adjusted Financial Snapshot

As Reported

Particulars (Rs. In Cr.)	Q1FY25	Q1FY24	Y-o-Y
Total Income	59.4	61.6	-3.6%
EBITDA	13.9	17.8	-21.9%
EBITDA Margin (%)	23.4%	28.9%	
Profit Before Tax	8.1	14.1	-42.7%

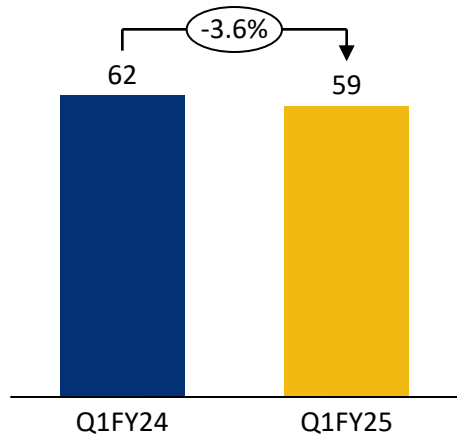
Adjusted for like-to-like comparison

Particulars (Rs. In Cr.)	Q1FY25	Q1FY24	Y-o-Y
Total Income	59.4	59.0	0.6%
EBITDA	13.9	15.2	-8.4%
EBITDA Margin (%)	23.4%	25.7%	
Profit Before Tax	8.1	11.5	-29.7%

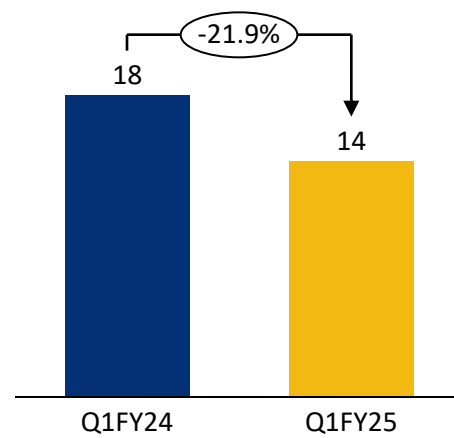
Note: The total income of Q1FY24 accounts supplementary invoice income of Rs. 2.61 crores for the price increase for units sold in FY23

Result Snapshot Y-o-Y

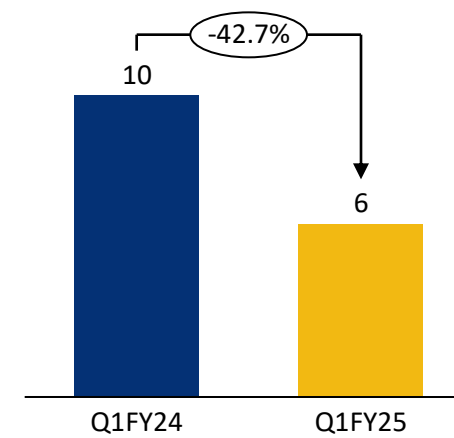
Total Income (Rs. In Cr.)



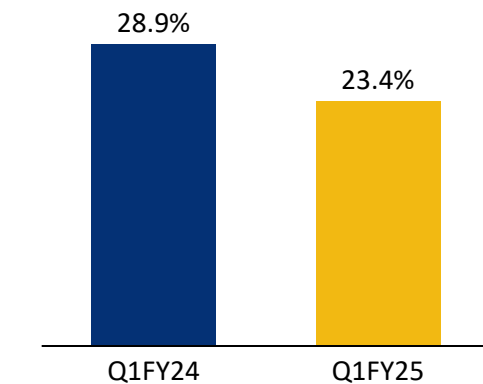
EBITDA (Rs. In Cr.)



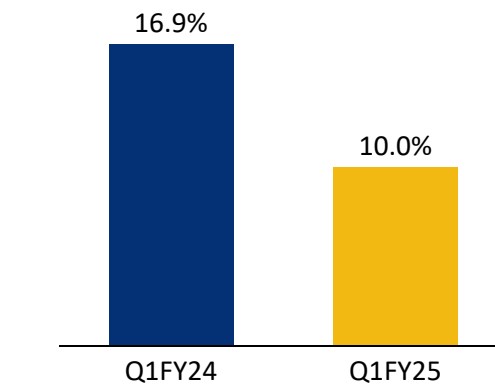
Profit After Tax (Rs. In Cr.)



EBITDA (%)



PAT (%)



- **Total Income:** Offtake in Core business segment i.e. transfer case, was impacted however was compensated by EV and Component business
- **EBITDA:** Change in product mix along with increased cost of Shirwal plant impacted operating profitability
- **PAT:** Lower volumes along with increased operating cost dragged the overall profitability
- **We expect the utilisations at the new plant at Shirwal and our core business volumes to improve from H2 thus operating efficiency shall kick in resulting into better operating and overall profitability continuing into FY26**

Result Snapshot

Particulars (Rs. In Cr.)	Q1FY25	Q1FY24	Y-o-Y	Q4FY24	Q-o-Q	FY24
Revenue From Operations	54.2	56.6		65.1		253.4
Other Income	5.1	5.0		5.1		19.6
Total Income	59.4	61.6	-4%	70.2	-15%	273.0
Raw Materials	23.5	22.1		27.3		106.2
Gross Profit	35.9	39.6	-9%	42.9	-16%	166.8
Employee Benefit Expenses	6.3	6.6		6.4		24.1
Other Expenses	15.7	15.2		18.2		70.0
EBITDA	13.9	17.8	-22%	18.2	-24%	72.6
Depreciation & Amortization	5.8	3.6		5.7		18.7
EBIT	8.1	14.1	-43%	12.6	-35%	53.9
Interest Expense	0.1	0.1		0.2		0.4
Profit Before Tax	8.1	14.1	-43%	12.4	-35%	53.5
Tax Expense	2.1	3.6		3.1		13.8
Profit After Tax	6.0	10.4	-43%	9.2	-35%	39.7

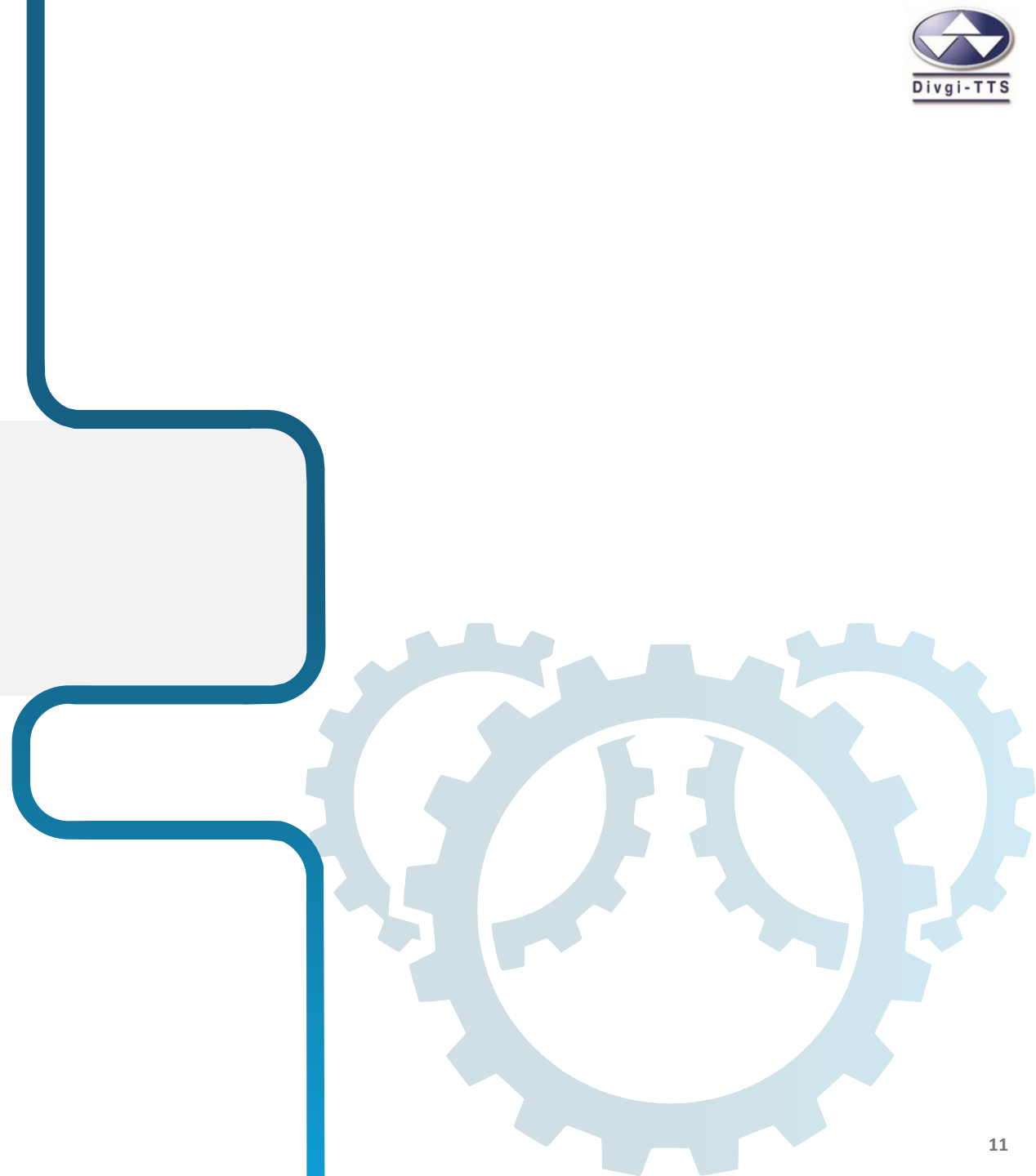


Jitendra Divgi

Managing Director

- **Q1FY25:**
 - Total Income saw a decline on y-o-y basis primarily due to declining Transfer case volume sale. The lower offtake in the volumes was on the back of the launch of low-cost variant without 4WD by our large OEM customers due to competitive pressure
 - EV transmission and component business did significantly well compared to the last year
 - Adjusting for one-time supplementary income in Q1 last year, we recorded flat total income in Q1FY25
 - Presence in multiple business segments as part of our de-risking strategy paid off as weakness in one segments is supported by strong performance in other segments. Thus, diversifying our revenue streams
 - EBITDA and PAT was impacted due to lower absorption of fixed costs
- **FY25 & beyond:**
 - FY25 revenue is expected to improve by 8% to 10%
 - Though challenges remain, we are confident of having a better second half for this financial year as we are working closely with prominent Indian automotive players for their upcoming platforms/launches
 - On Export business front we are making a comeback slowly and steadily
 - Our R&D and manufacturing competencies have helped us to emerge as an India Manufacturing Technology Global i.e., combining Indian Manufacturing prowess with Research-led technology-driven product development partner translating into global value proposition
 - Closely tracking / monitoring the emergence and preference for Hybrids. Our strong and in-depth understanding of fuel agnostic platforms will enable us to address the industry demand quickly
- **New Business wins:**
 - Won multi-year contract valued at Rs. 800+ crores of lifecycle revenue from existing large Indian automotive OEM for the transfer case business. This contract will be executed over a period of 7 years commencing from H2FY27.
 - Starting this calendar year, the company had received orders to the tune of Rs. 200 crores from two marquee North American manufacturers of Automotive Transmissions for precision forged and machined components for the passenger and Light commercial vehicles

Way Forward



EV Transmission*



Export Business



Core Product Portfolio*

- Ramping up production for the existing variants
- New order win with existing OEM for the existing platform
- Working with existing OEM for new models

- Further strengthening relationships with Tier I suppliers by expanding the product offerings from two marquee Tier I North American manufacturers of Gearboxes and Transmissions (**the sale of these parts will flow in H2FY25**)
 - Annual value of these orders is ~INR 43 Crores
- Few products are at approval stage expected to convert to orders from H2FY25

- Working with OEM to normalize production loss of transfer case units by extending to newer models/variants
- Localizing supply for few model/variants of our existing large OEMs
- Increasing sale of components and other products

Long Term Growth Outlook based on Life cycle Revenues



EV Transmission*



Export Business



Core & Other Product Portfolio*

Product:
BEV System & Components Business

Product:
Transfer Case Export Components Business

Product:
Manual Transmission Components Business
Automatic and Hybrid Transmissions

Lifecycle Revenue:
~INR 200 Crores

Lifecycle Revenue:
~INR 400 Crores

Lifecycle Revenue:
~INR 1,100 Crores

Current Orders in hand have potential life cycle revenues of Rs. 1,700 Crores

* Domestic Business

Application led diversification through new product offerings



Geographic diversification



Improve market share and wallet share with existing customers



Customer diversification

EV transmission

Automatic transmission

- Developed transmission for both PVs and CVs
- Presence across 4 platform within 2 years span
- Expanding our expertise to 3-wheeler and working very closing with our major OEM

- Develop & launch Hybrid automatic transmission system and supporting OEMs for localizing its requirements for superior fuel efficiency

- Will further strengthen our relationship across the geographies
- Expected to increase our export share of business to ~20% - 25% of the Revenue in next 4 to 5 years
- Bagged export orders worth of 75 crores in FY24
- Ongoing investigation for overseas presence
- Take legacy products global

- Increase business with existing customers by working deeply with them and explore opportunities to grow along the value chain by expanding the array of our existing products and solutions that we supply
 - Widening EV scope beyond mechanical transmission to include complete electric drive unit

- New customers acquisition both in domestic & international markets
- Ongoing discussion with new customers

Automobile Industry

- Challenges witnessed over the last 5 years:
 - Changing customer expectations (from Mass to premiumisation /luxury car sales)
 - Increasing competition (multiple launches from all OEMs at different price range) and
 - Need to adopt new technologies like (EVs, Hybrids, Automatics etc.)
 - buzz on EVs seems slowing down or taken a pause and Hybrid is again talk of the town

Automobile Players

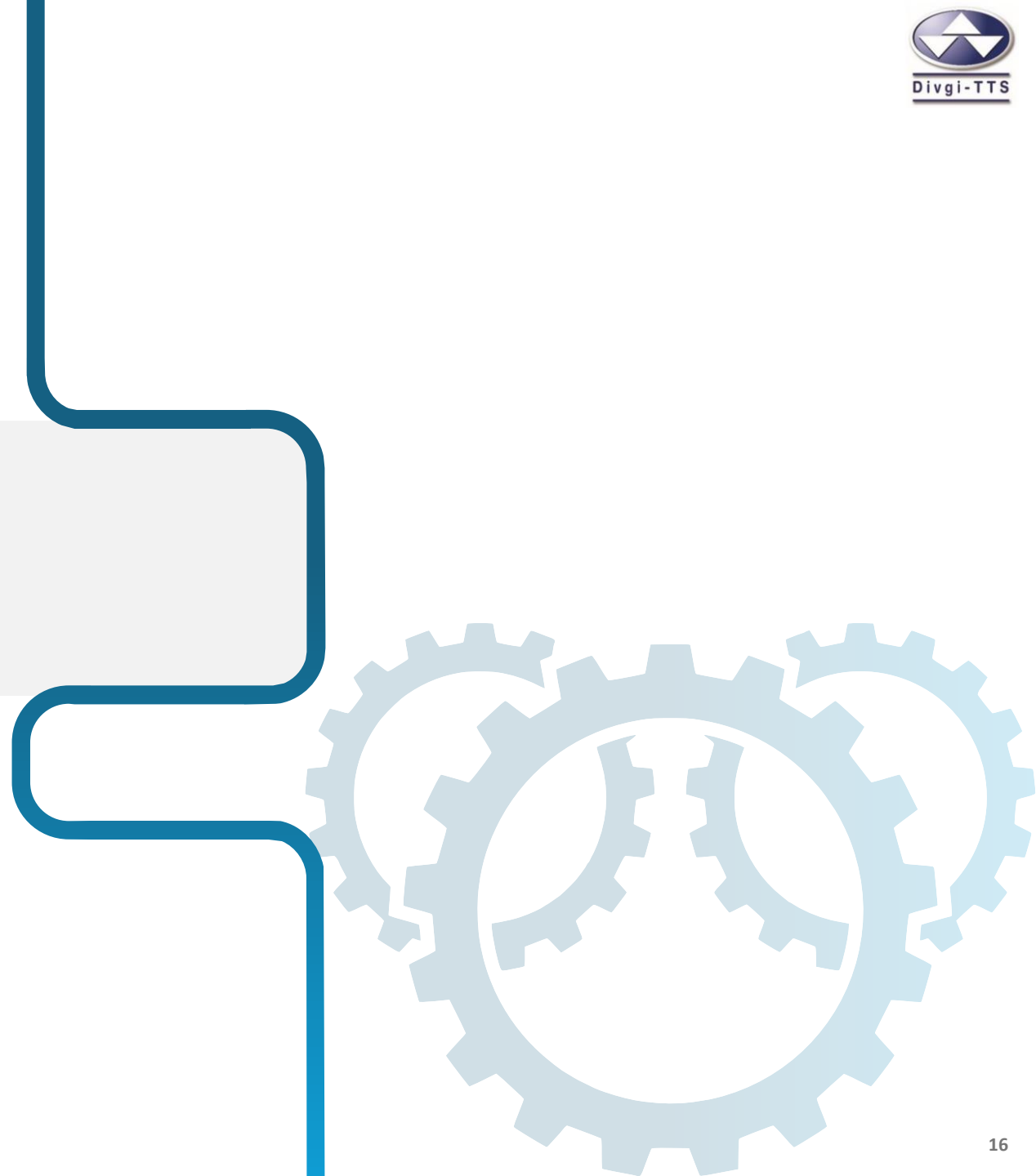
- Companies continuously working and adopting innovative solutions
- Preference for Hybrid vehicles is on the back of range anxiety among those considering EVs
- Many OEMs have quickly recognized this trait and have been working to launch newer and more models of Hybrid cars

DTTS

- Being ancillary supplier to OEMs, need to react quickly to all the new traits/developments
- With all capabilities we are looking to grow through Application led diversification through new product offerings now in Hybrids, like we did for EVs and Automatic transmission few years back.
- Can be well-adjusted within our current manufacturing facilities as our capacities are fungible till assembly line

Working closely with OEMs for this new business opportunity

About Divgi



1964

Incorporated

50+

Years of experience

4

Manufacturing facilities

Our Valued Customers



Vision

To be recognized as a world-class Indian brand in automotive drivetrain components and systems

Strategies

- Technology-Led Innovation
- Product & Application Diversity
- Customer & Geographic Diversity
- Manufacturing excellence
- Financial Discipline
- Collaborative teamwork

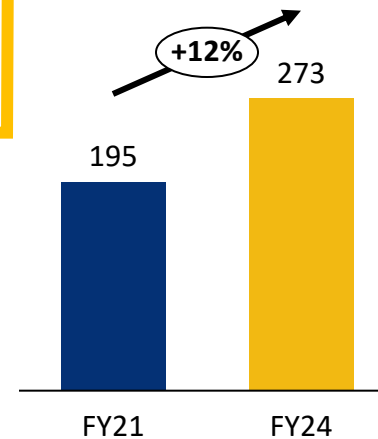
Product Leadership

- Continuous Innovation
- Superior Solutions
- Distinctive Products
- World-Class Product Development and Manufacturing

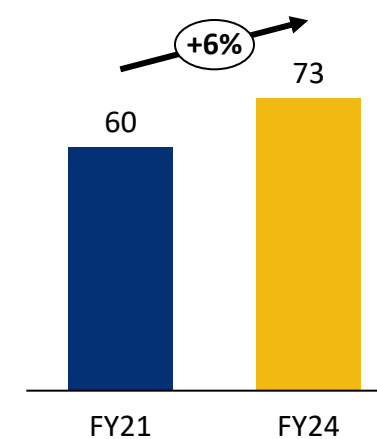
- Solutions in Manual Transmission
- State-of-the-art 4WD Systems
- India's largest EV Transmission manufacturer
- Pioneer in Automatic Transmission in India
- Global Presence



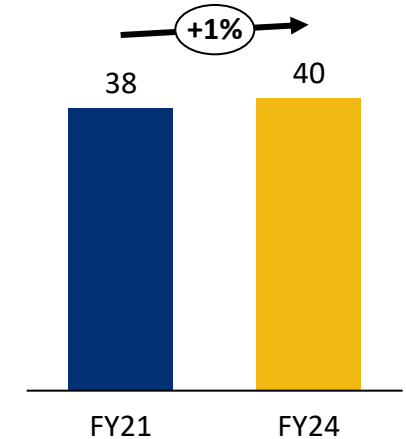
Total Income*



EBITDA*

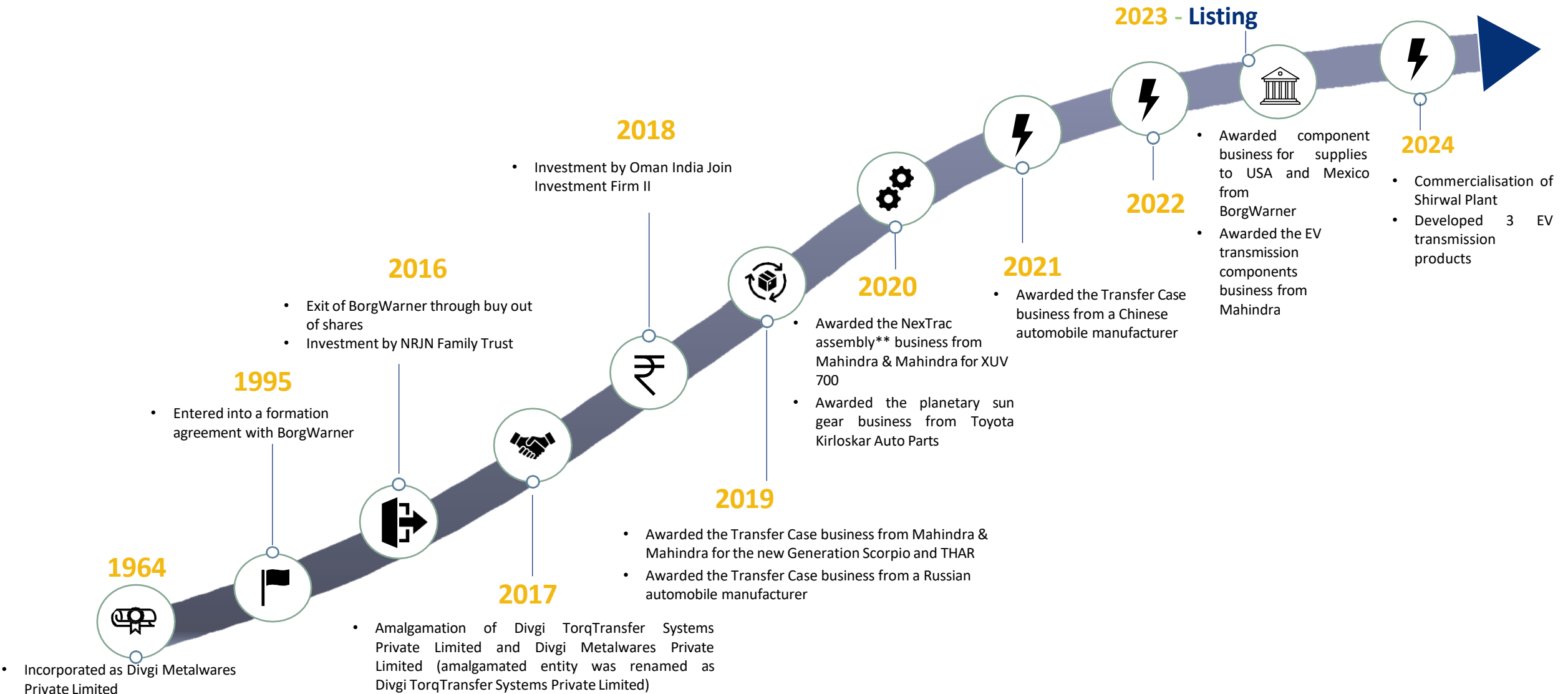


PAT*



Rs. In Crores

Journey so far



Manufacturing Capabilities



Bhosari, Pune, Maharashtra

Year of Operations: 1996

Product:

- 4WD Transfer case



Shivare, Pune Dist., Maharashtra

Year of Operations: 1991

Product:

- Precision Grinding and Honing operations for transmission components



Sirsi, Uttara Kannada Dist., Karnataka

Year of Operations: 1984

Product:

- Components
- Synchronisers



Shirwal, Satara Dist., Maharashtra

Year of Operations: 2023

Product:

- EV Assembly
- Export Components
- Manual and Automatic Transmission

Product Portfolio



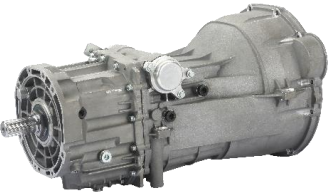
RWD Applications



Manual Transmissions



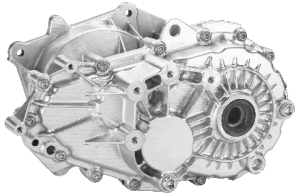
Synchronizers



Automatic/Dual Clutch Transmissions



EV Transmission



Key Components



Category / Product	ICE (4WD/AWD)	ICE (Manual)	ICE (Automatic)	Hybrid	BEV
Torque Transfer Systems	✓	-	-	-	-
Manual Transmission	-	✓	-	-	-
Synchronizer Systems	✓	✓	✓	-	-
Automatic/Dual Clutch Transmission	-	-	✓	-	-
Transmissions for BEV	-	-	-	-	✓
Components	✓	✓	✓	✓	✓

4WD/AWD Products



Manual Transmissions and Synchronizers



Electric Vehicle Transmission



Automatic Transmissions



Representative Images

Marquee Customers

Few clientele...



30+

Years of
relationship

Transfer case
components



50+

Years of
relationship

EV transmission,
Transfer Case,
Synchronisers



50+

Years of
relationship

MT Components,
Transfer Cases & EV
Transmissions, ALH,
Nextac



10+

Years of
relationship

Transmission
Components



10+

Years of
relationship

Transfer Cases,
Synchronisers



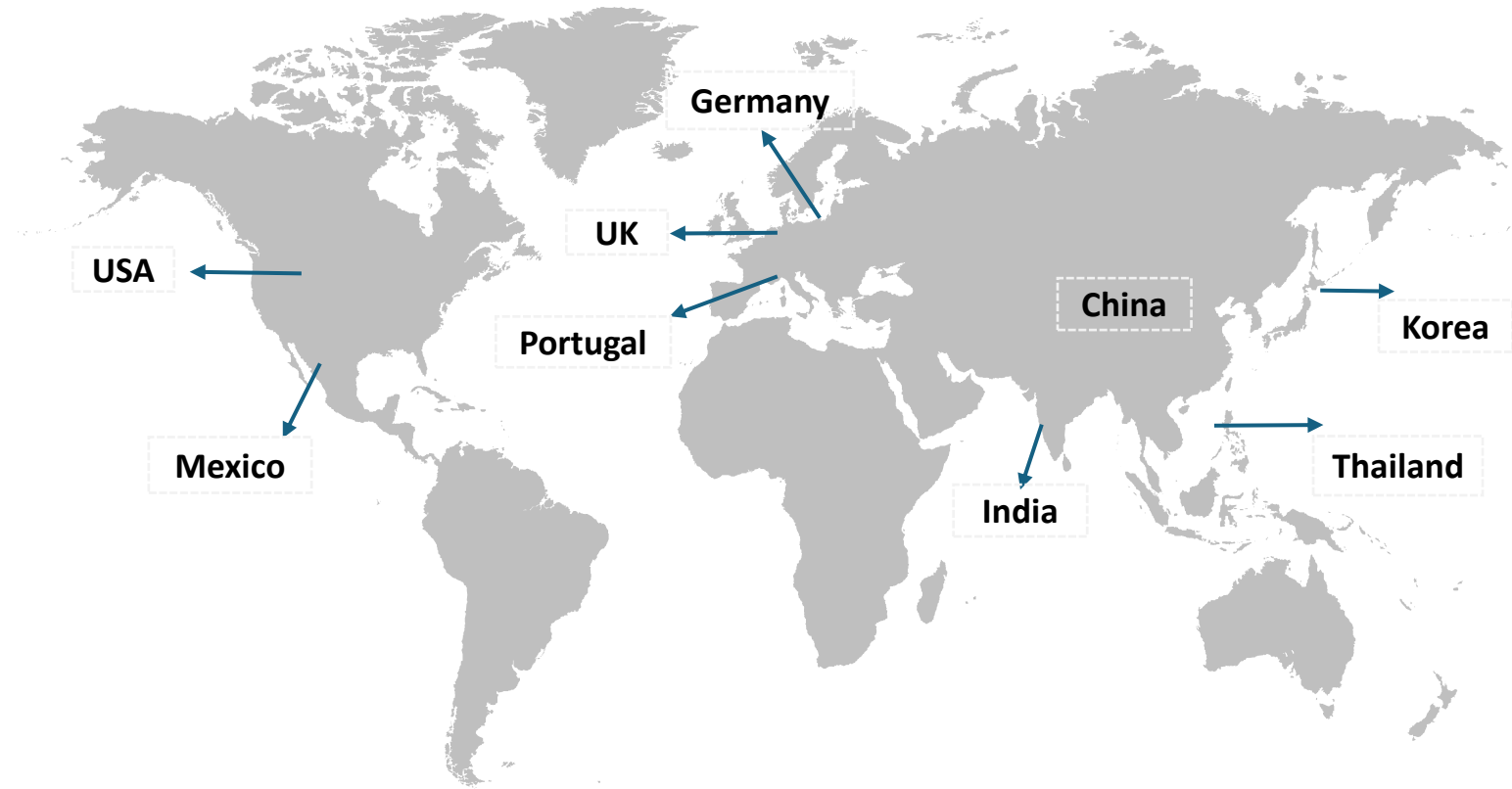
10+

Years of
relationship

Engine Timing
Components

..... and many more

Caters to a diverse set of clients across domestic and international markets



~3 Crores

Export Revenue
(Rs. In Crores)

~75 Crores

New Export Business win
(Rs. In Crores)

Emerge as one of the fastest growing drivetrain solution companies in the world

Our **credible** Board of Directors

*Individuals of proven
capability and integrity*

*Bringing diverse competencies to
the table*

*Committed to uphold
governance*



Praveen Kadle
Chairman and
Independent Director



Jitendra Divgi
Managing Director



Hirendra Divgi
Executive Director



Pradip Dubhashi
Independent Director



Pundalik Dinkar Kudva
Independent Director



Geeta Tolia
Independent Director



Bharat Divgi
Non-Executive Director



Sanjay Divgi
Non-Executive Director

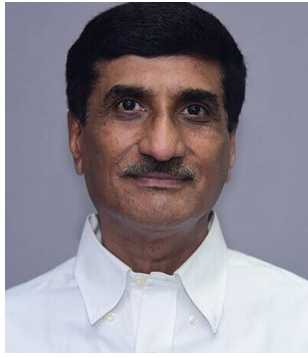
Strong Leadership Team



Jitendra Divgi
Managing Director



Zubair Kachi
Mktg., Sales & ABD



Prasanna Deshpande
Engineering & Product
Development



Deepak Vani
Chief Operating Officer &
Purchase



Rakesh Sharma
Mfg Engineering &
Growth & Launch



Rupam Parwate
Operational Excellence



Sudhir Mirjankar
Finance



Gopal Dalvi
Human Resource



Mark John
Intl. Comm. Operations



Nam Jun Kim
President & Country
Head, South Korea

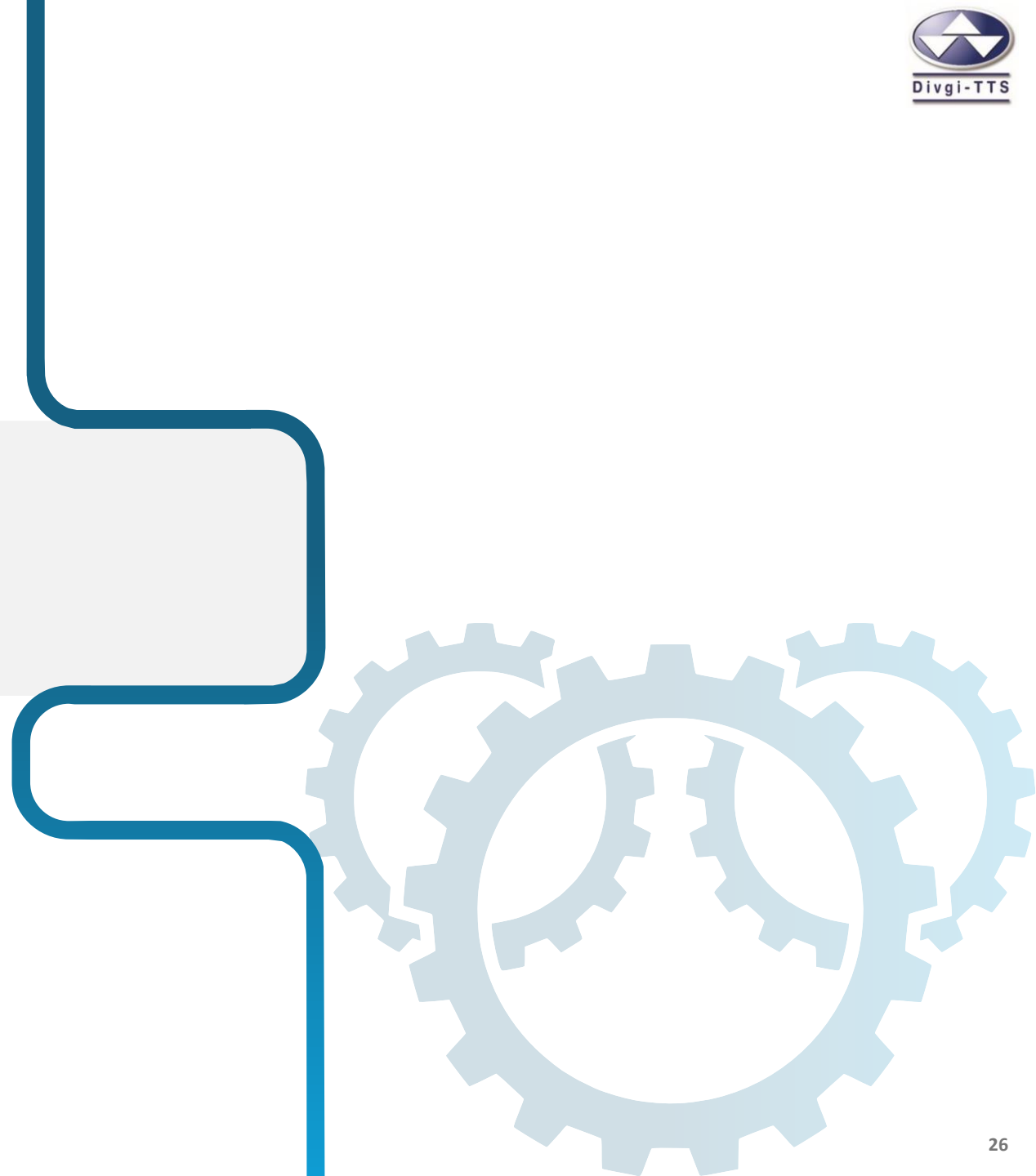


Nilesh Shukla
Advanced Mfg. Tech.

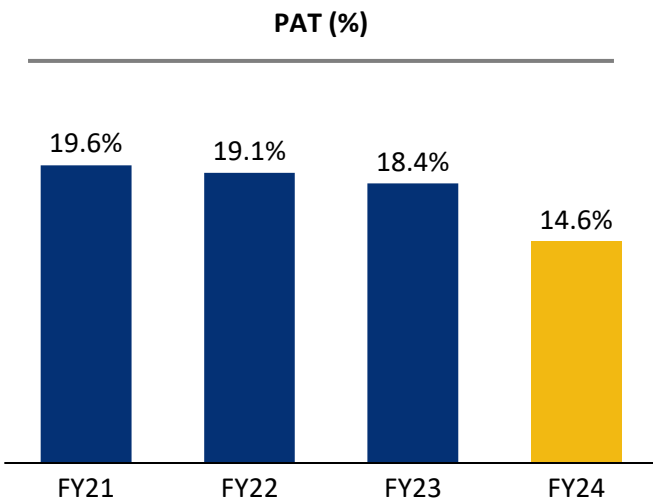
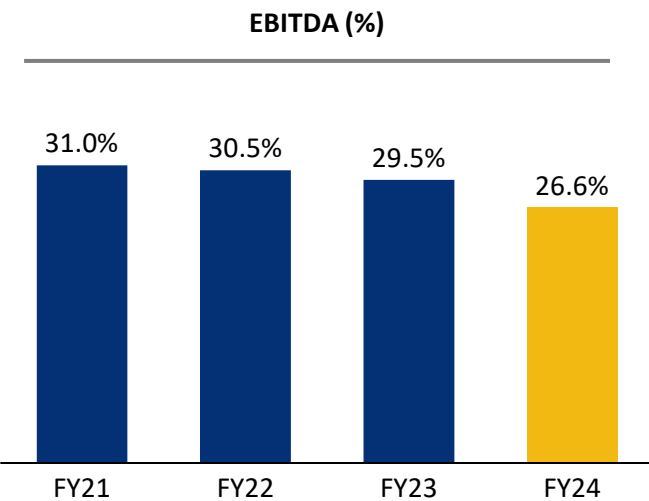
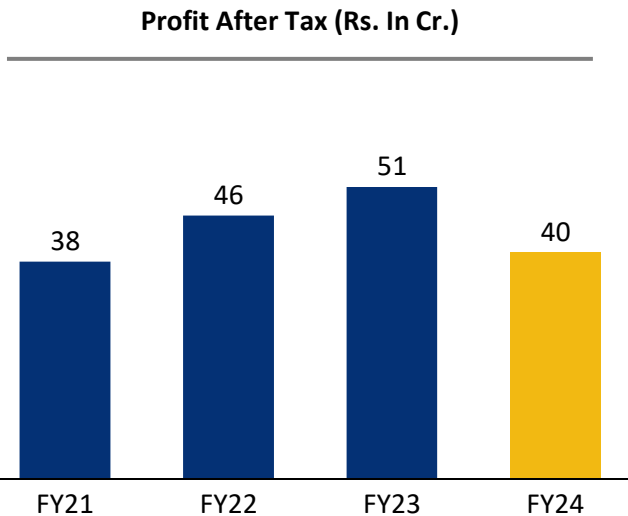
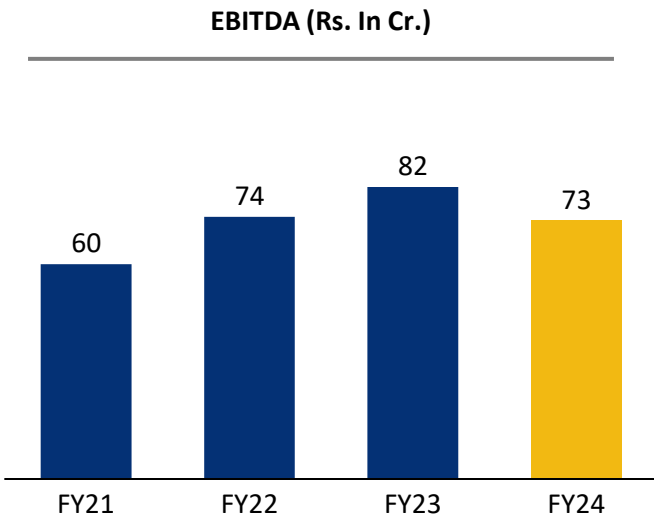
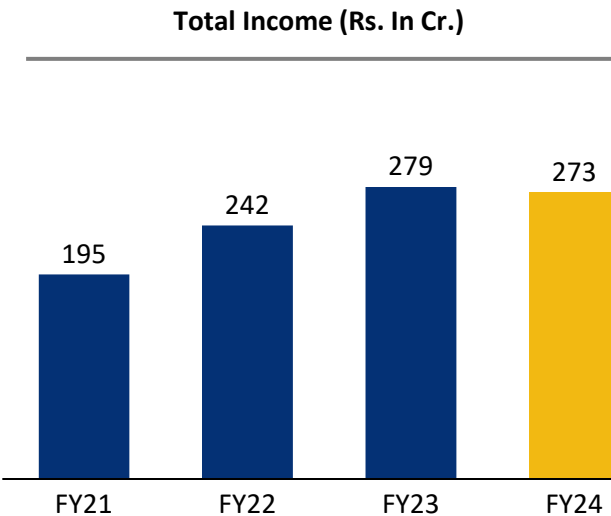


Pulak Das
Chief Information Officer

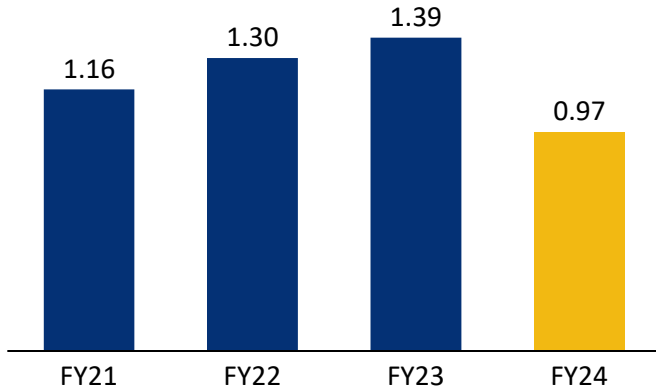
Financials



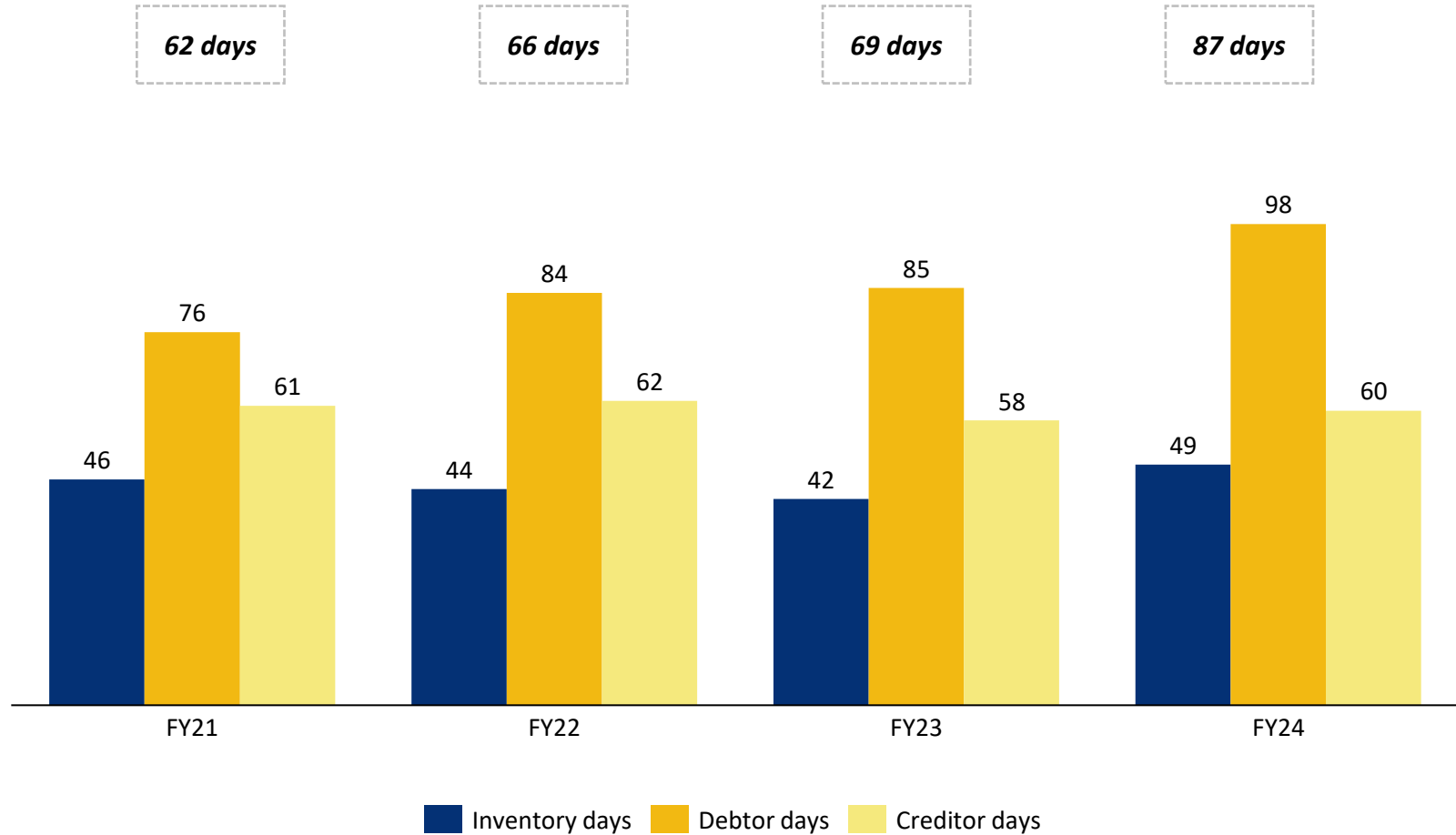
P&L – Historical Chart



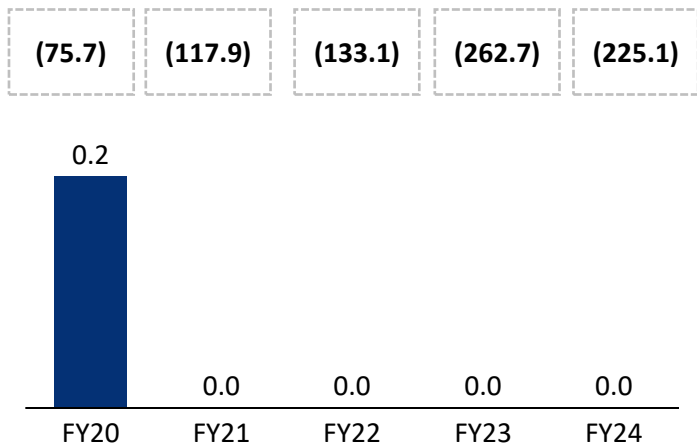
Fixed Assets Turnover Ratio (x)



Working Capital (No. of Days)

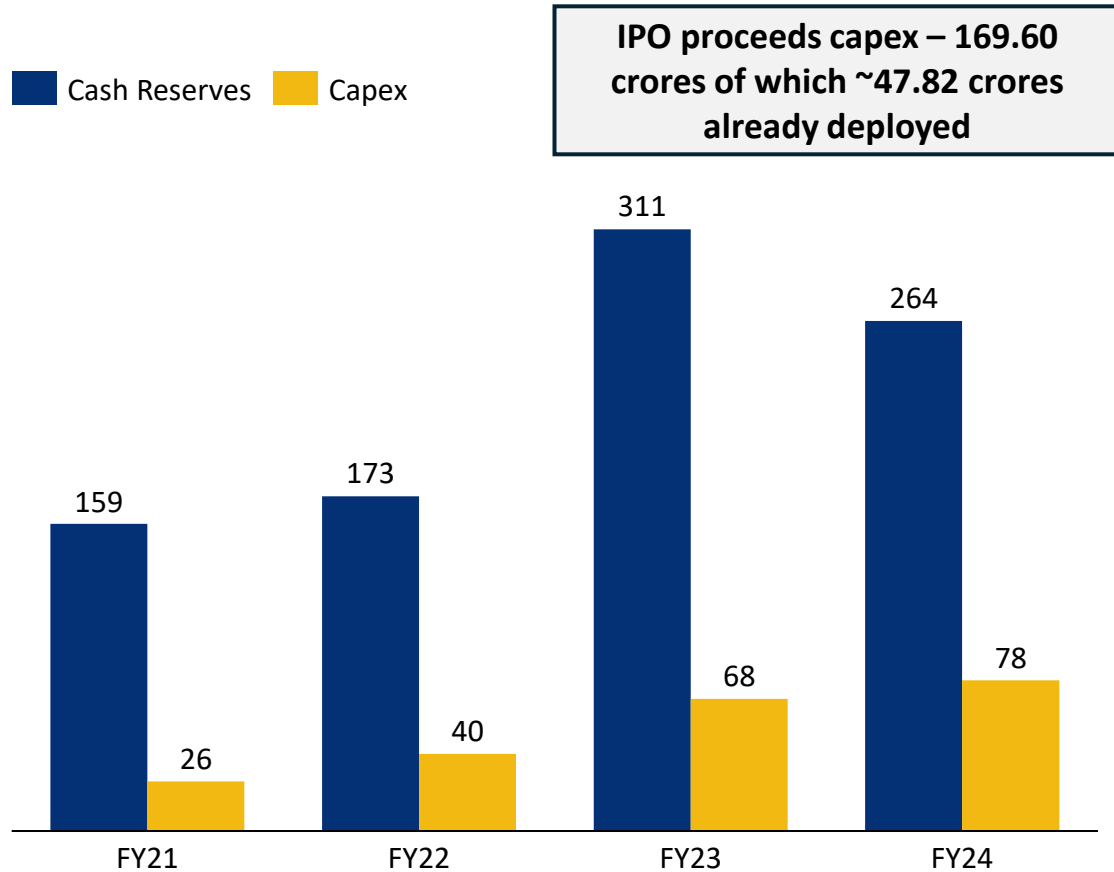


Leverage ratios (x) & Net Debt (Rs. In Cr.)

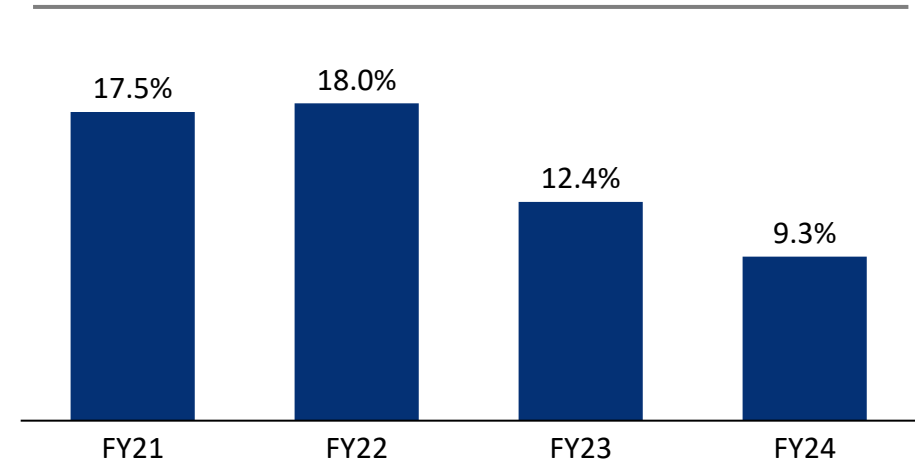


Capex and Cash

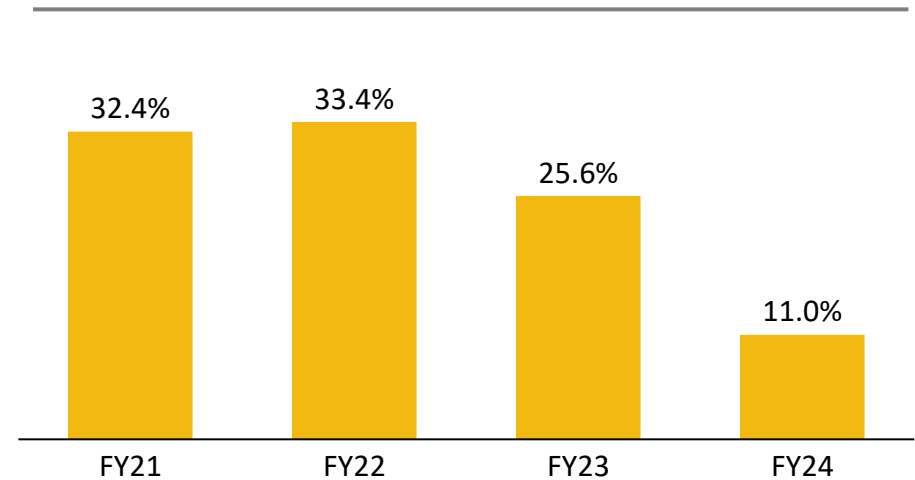
Capital Expenditure and Cash Reserves



Return on Capital Employed (RoCE %)*



Return on Invested Capital (RoIC %)



* RoCE excludes Other Income

Historical P&L Statement

Particulars (Rs. In Cr.)	FY24	FY23	FY22	FY21
Revenue From Operations	253.4	271.0	233.8	186.6
Other Income	19.6	7.6	8.1	8.5
Total Income	273.0	278.7	241.9	195.1
Raw Materials	106.2	111.4	93.6	67.0
Gross Profit	166.8	167.3	148.2	128.1
Employee Benefit Expenses	24.1	24.5	22.5	21.8
Other Expenses	70.0	60.7	52.0	45.9
EBITDA	72.6	82.1	73.7	60.4
Depreciation & Amortization	18.7	13.0	11.4	7.6
EBIT	53.9	69.1	62.3	52.8
Interest Expense	0.4	0.3	0.2	0.2
Profit Before Tax	53.5	68.8	62.2	52.6
Tax Expense	13.8	17.7	16.0	14.3
Profit After Tax	39.7	51.2	46.2	38.3

Balance Sheet

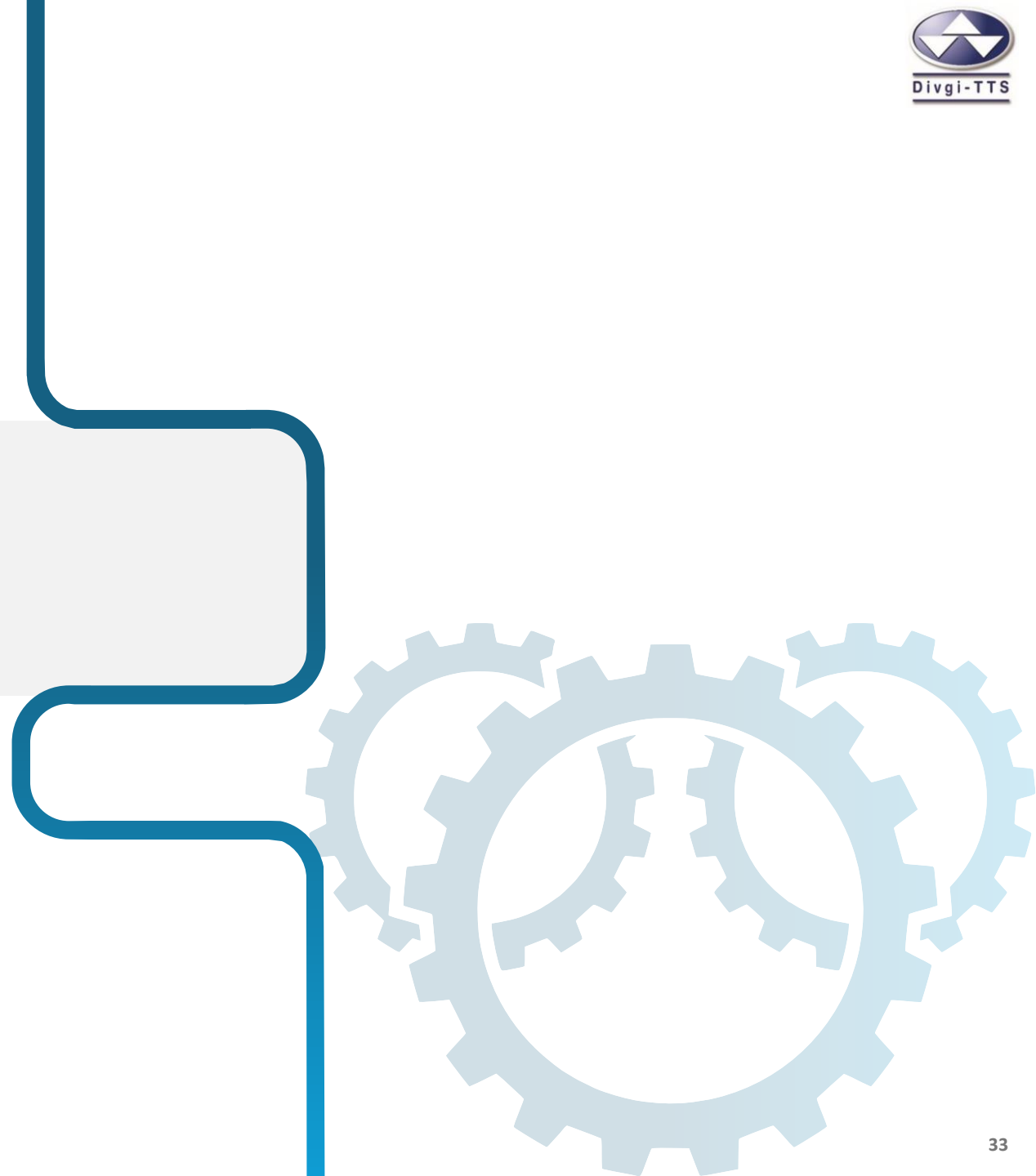
Particulars (Rs. In Cr.)	FY24	FY23
Assets		
Non-Current Assets		
Property, plant and equipment	211.7	111.1
Capital work-in-progress	25.4	80.9
Right-of-use assets	1.5	2.5
Intangible assets	13.9	3.2
Intangible assets under development	0.0	11.8
Financial Assets		
(i) Non-current investments	0.0	0.0
(ii) Other non-current financial assets	3.8	3.7
Other non-current assets	5.4	1.0
Current Assets		
Inventories	35.7	31.9
Financial Assets		
(i) Trade receivables	63.1	73.2
(ii) Cash and Cash Equivalents	31.6	4.8
(iii) Bank Balances other than Cash	232.7	306.6
(ii) Other Financial Assets	13.5	4.3
Other Current Assets	2.6	7.1
Total Assets	641.4	642.0

Particulars (Rs In Cr.)	FY24	FY23
Equity & Liabilities		
Total Equity		
Equity Share Capital	15.3	15.3
Other Equity	565.1	536.0
Liabilities		
Non-Current Liabilities		
Financial Liabilities		
(i) Borrowings	0.3	0.3
(ii) Lease Liabilities	0.8	1.5
Long-Term Provisions	2.7	3.3
Deferred Tax Liabilities (net)	2.6	0.4
Current Liabilities		
Financial Liabilities		
(i) Borrowings	0.1	0.1
(ii) Lease Liabilities	0.4	0.6
(iii) Trade Payables	37.6	46.2
(iv) Other Financial Liabilities	8.9	27.5
Other Current Liabilities	2.0	2.3
Provisions	2.1	2.2
Current Tax Liabilities (Net)	3.5	6.2
Total Equity & Liabilities	641.4	642.0

Cashflow

Particulars (Rs. In Cr.)	FY24	FY23
Profit Before Tax	53.5	68.8
Adjustments for: Non -Cash Items / Other Investment or Financial Items	0.0	6.3
Operating profit before working capital changes	53.5	75.2
Changes in working capital	6.7	(16.9)
Cash generated from Operations	46.8	58.2
Direct taxes paid (net of refund)	14.3	(17.4)
Net Cash from Operating Activities	32.5	40.8
Net Cash from Investing Activities	6.1	(213.1)
Net Cash from Financing Activities	(11.7)	159.7
Net Decrease in Cash and Cash equivalents	26.8	(12.6)
Add: Cash & Cash equivalents at the beginning of the period	4.8	17.4
Cash & Cash equivalents at the end of the period	31.6	4.8

Annexure






Fortune's world's most admired company




Sr. No.	Product	Awarded on	Revenue Lifecycle (Rs. In Cr.)	SOP
1	Hub Reduction 012 	August 2023	111.6	June 2024
2	Hub Reduction 007 	August 2023	55.6	August 2024
3	Hub Reduction 013 	August 2023	12.8	August 2024
4	Yoke Flange - Big 	January 2024	45.7	November 2024
5	Yoke Flange - Small 	January 2024	75.1	November 2024
6	Planet Pinion 	January 2024	91.2	November 2024

**390+ Crores revenue
spread across 5 years**

Leading Indian OEM

Sr. No.	Product	Awarded on	Revenue Lifecycle (Rs. In Cr.)	SOP
1	45KW EV transmission 	August 2023	131.5	August 2024
2	150KW EV transmission component sets 	August 2023	73.2	July 2024
3	3-wheeler EV motor shaft 	August 2023	14.3	January 2024
			200+ Crores revenue spread across 5 years	

Leading Indian OEM

Sr. No.	Product	Awarded on	Revenue Lifecycle (INR Crs)	SOP
1	Electric shift transfer case 	August 2023	210.0	June 2024
2	Manual transmission counter shaft 	August 2023	82.8	August 2024
3	Manual transmission Input Shaft 	August 2023	27.1	August 2023
			320 Crores revenue spread across 5 years	

Thank You



PRODUCT LEADERSHIP
LIKE NO OTHER

Company:

Investor Relations Advisors:



SGA Strategic Growth Advisors

CIN: L32201MH1964PLC013085

CIN: U74140MH2010PTC204285

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