



THE HI-TECH GEARS LTD.

CIN - L29130HR1986PLC081555

Corporate Office: Millennium Plaza, Tower-B, Sushant Lok-1, Sector-27, Gurugram -122009,

Haryana, INDIA Tel.: +91(124) 4715100 E-mail: secretarial@thehitechgears.com

August 18, 2023

**The Manager,
Listing Department,
National Stock Exchange of India Limited,
"Exchange Plaza", C-1, Block – G
Bandra – Kurla Complex,
Bandra (E), Mumbai – 400051,
Symbol: HITECHGEAR**

**The Manager,
Listing Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400001,
Scrip Code: 522073**

Subject: Intimation pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Earnings Presentation

Dear Sir/Ma'am,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith, the earnings presentation of Company for the 1st Quarter ended June 30,2023 of Financial Year 2023-24.

You are kindly requested to take the above information on record and oblige.

Thanking You,

**Yours Faithfully,
For The Hi-Tech Gears Limited**

**Naveen Jain
Company Secretary & Compliance Officer
M. No: A15237
Encl: as above**

www.thehitechgears.com

Works I: A-589, Industrial Complex, Bhiwadi - 301 019 Rajasthan INDIA Tel.: +91(1493) 265000

Regd. Office & Works-II: Plot No. 24,25,26 Sector-7, IMT Manesar - 122050 Gurugram, Haryana INDIA Tel.: +91 (124) 4715200

Works-III: Plot No. SP-146A, Industrial Complex, Bhiwadi - 301019 Rajasthan INDIA

Subsidiaries: The Hi-Tech Gears Canada. Inc. 361, Speedvale Ave W. Guelph, ON N1H 1C7, CANADA

Teutech LLC. 227, Barton St. Emporium. PA 15834, USA

Q-1 Financial Year 23-24 Earnings Presentation

August 2023

Safe Harbour Statement

- The views expressed here may contain information derived from publicly available sources that have not been independently verified by The Hi-Tech Gears Limited.
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Table of Contents

- **About THGL**
- **Financial Update**
- **Management Perspective**

Vision & Mission

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”



Board of Directors



Deep Kapuria
Executive Chairman



Anant Jaivant Talaulicar
Vice Chairman & Non-Executive
Director



Pranav Kapuria
Managing Director



Anuj Kapuria
Executive Director



Subir K. Chowdhury
Executive Director & President



Bidadi Anjani Kumar
Non-Executive Director



Krishna Chandra Verma
Independent Director



Sandeep Dinodia
Independent Director



Anil Kumar Khanna
Independent Director



Vinit Taneja
Independent Director



Malini Sud
Independent Director



Rajiv Batra
Independent Director

Eminent Industry Leaders

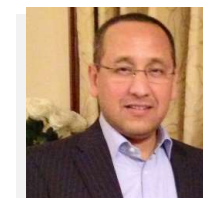
Management Team



Subir K. Chowdhury
Executive Director & President
B.E. (Mech.); 38 years experience across Off Highway, Cons Durables, Pass Car & Commercial vehicles



Kapil Rajora
Chief Financial Officer
B.E. & MBA; 18 years of experience in Business Planning, Financial & Working Capital Management, M&A and PMI



Jawaid Ashraf
Group CHRO
PGDM (H.R.); 35 years of HR experience with leading corporates in India and overseas



A.K. Verma
Chief Operating Officer
B.E.; 42 years of extensive experience in Auto industry and operations



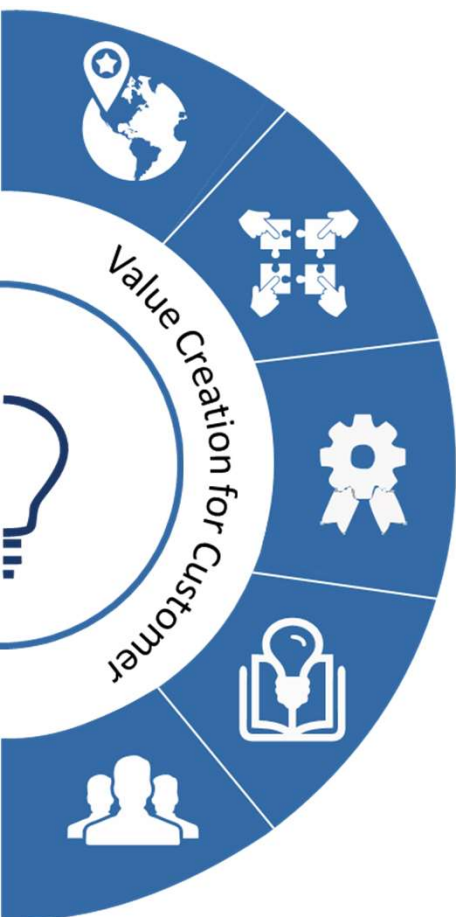
Rajesh Magoo
President - North America
B.S.(Engg.); 32 years exp. In Auto Industry; Lean Practitioner driving Operational Excellence



Naveen Jain
GM-Legal & Company Secretary
ACS, LLB with 22 years of relevant experience in diversified Industries

Experienced and Proven Leadership Team

Strengths and Differentiators



Established track record of more than three decades as one of the leading manufacturers of critical high-precision gears, shafts and transmission components across segments

One of the very few components' manufacturers catering to diverse segments of Two Wheelers, Passenger Cars, Commercial Vehicles, Agriculture, Off-road and Engines

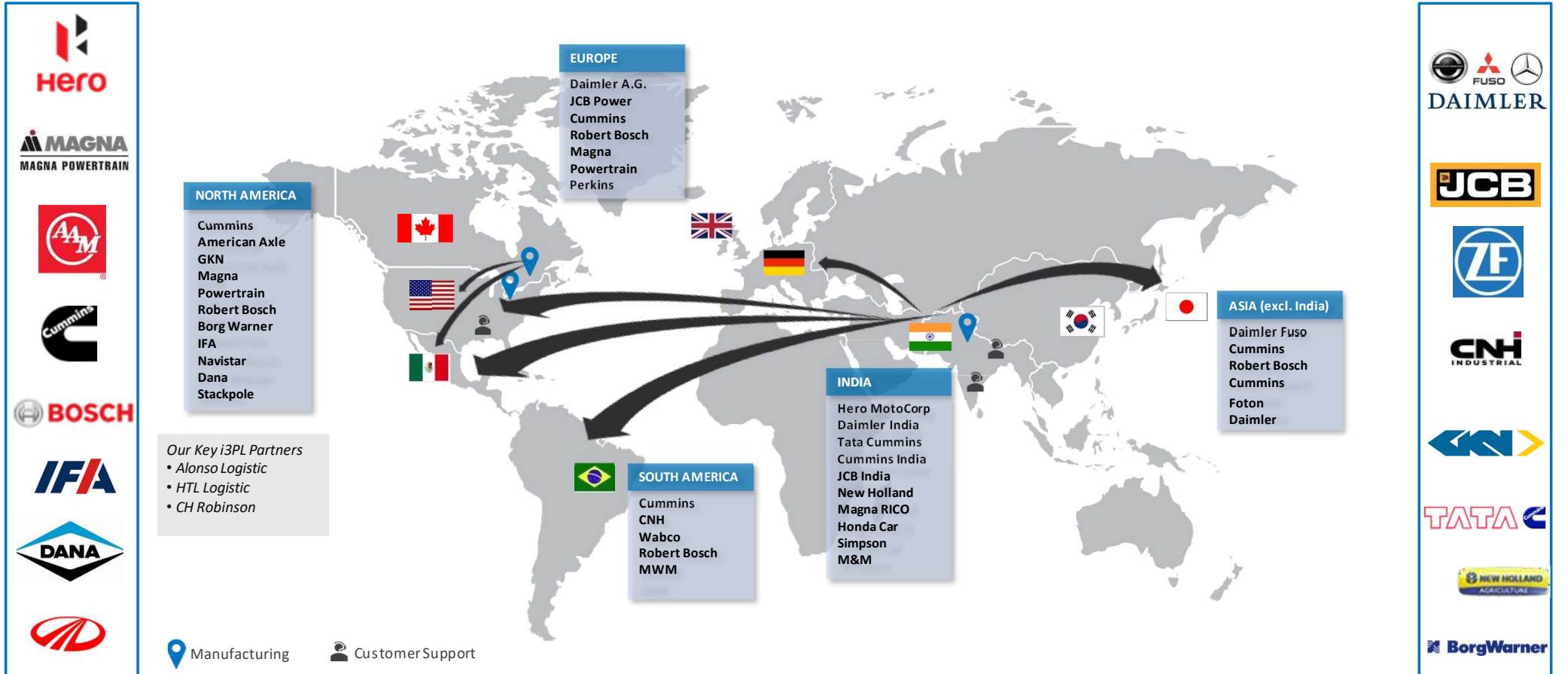
Strategically located state-of-the-art manufacturing facilities in India, Canada and USA with a synergistic operating model offering unique value

Long-standing relationships with segment leaders and marquee customers with shared vision & collaborative development approach

Operational excellence drive through Lean and TPM providing uncompromised quality solutions and rapid & first-time right product development

Entrepreneurial, Empowered, loyal & committed team of over 2500 employees and strong suppliers' relationships

Global Footprint and Marquee Customers



Global Reach

Portfolio of Businesses across Automotive Segments



Two-Wheeler



Medium & Heavy Commercial Vehicles



Passenger Cars



Agri, Engines and Off-highway



Top OE Coverage-HMCL, M&M, Honda



1 in the World



Top OE Coverage – Daimler, GM, Ford, Audi, Chrysler



Top Players in the Segment

Association with Top players in each segment

Plants across India and North America

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

Well Diversified Product Portfolio

Two-Wheeler
Transmission



Car Transmission &
Driveline



Commercial & Off-
Highway Vehicles
Transmission



Engine
Gears



Power Take Off
Components



Precision Forging &
Machining



Sintered
Components



Manufacturer of critical gears, shafts and transmission components across segments

Process Infrastructure

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 etc.



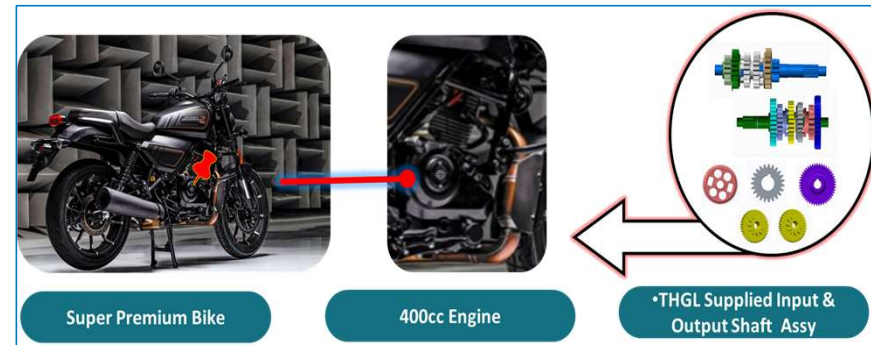
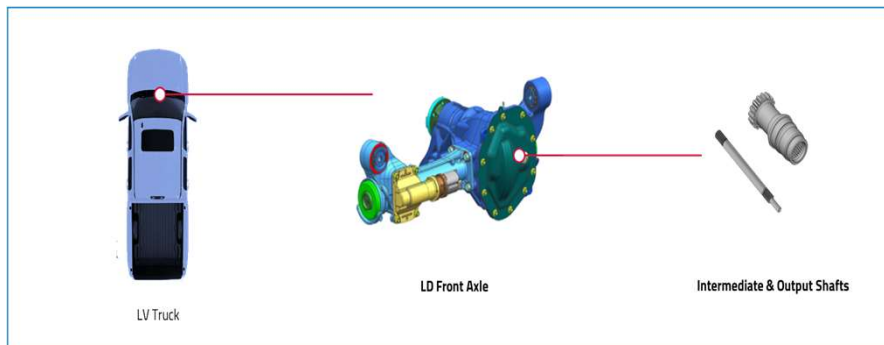
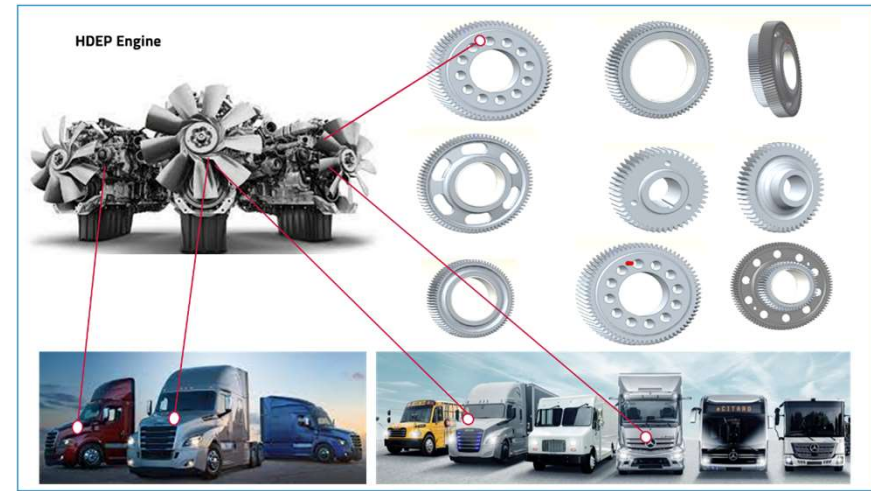
Assembly

- 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



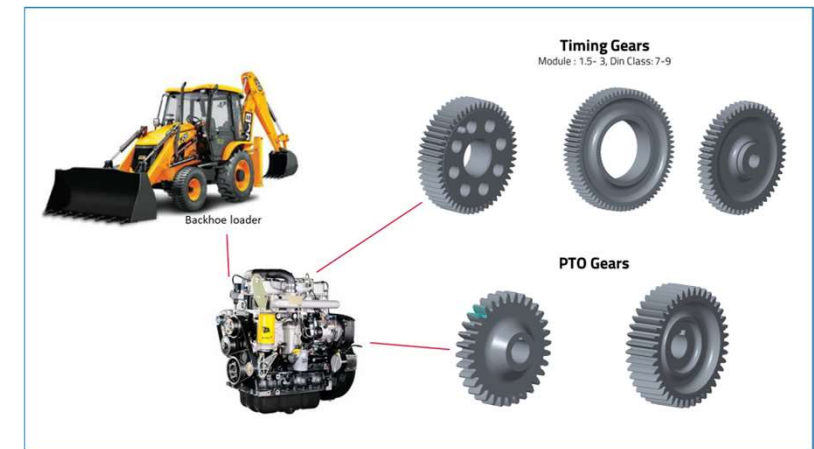
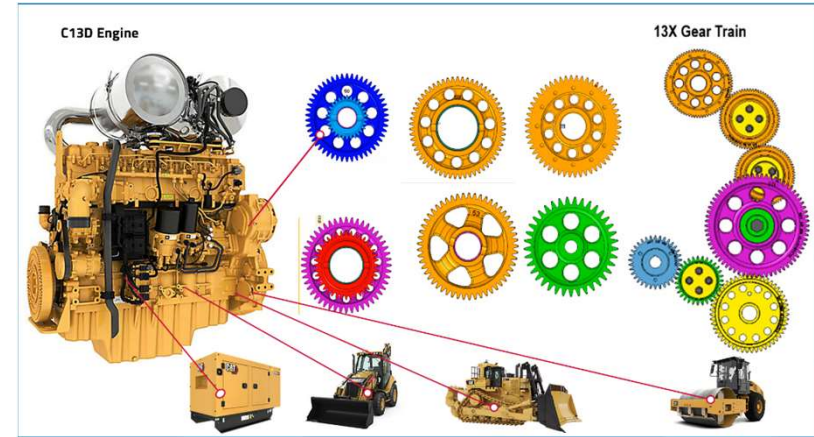
World Class In-house Manufacturing Facilities

Supplier of Critical Parts across Segments – Commercial Vehicle, Passenger Cars and Two Wheelers



Manufacturer of Transmission and Engine Parts going in Marquee Brands

Supplier of Critical Parts across Segments –Agri and Earthmoving



Manufacturer of Transmission and Engine Parts going in Marquee Brands

Listing Information (as on 30th June 2023) :

- **NSE / BSE Code**
 - **NSE- HITECHGEAR**
 - **BSE- 522073**
- **Share Capital – 1,87,68,000 equity shares @ Rs. 10/- each**
- **Shareholding Pattern**

Sr. No	Particulars	% of holding
1.	Promoters	56.26%
2.	Bodies Corporate	6.35%
3.	Public	37.39%

Table of Contents

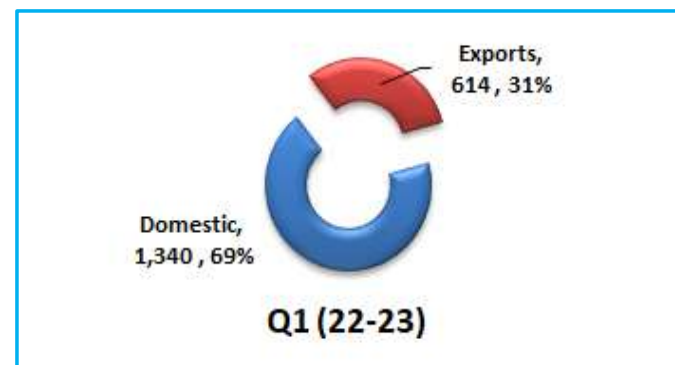
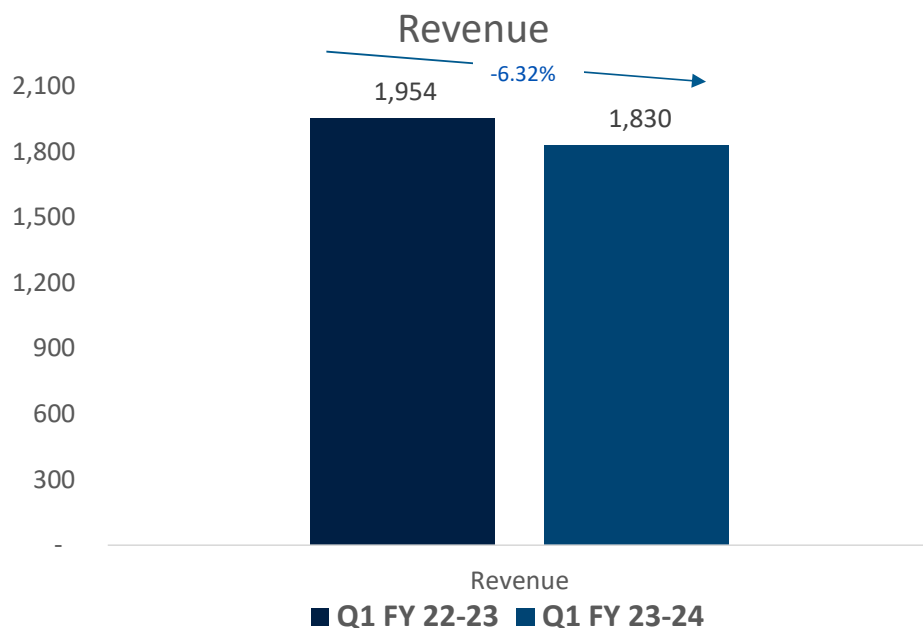
- **About THGL**

- **Financial Update**

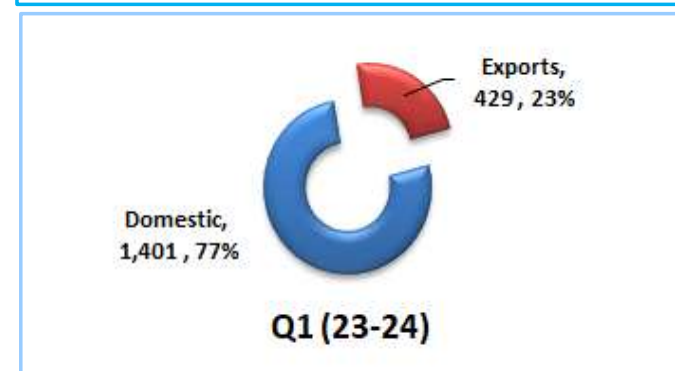
- **Management Perspective**

Standalone Performance Highlights (Q1 FY22-23 - vs – Q1 FY23-24)

(₹ Mn)



Total sales Rs. 1,954

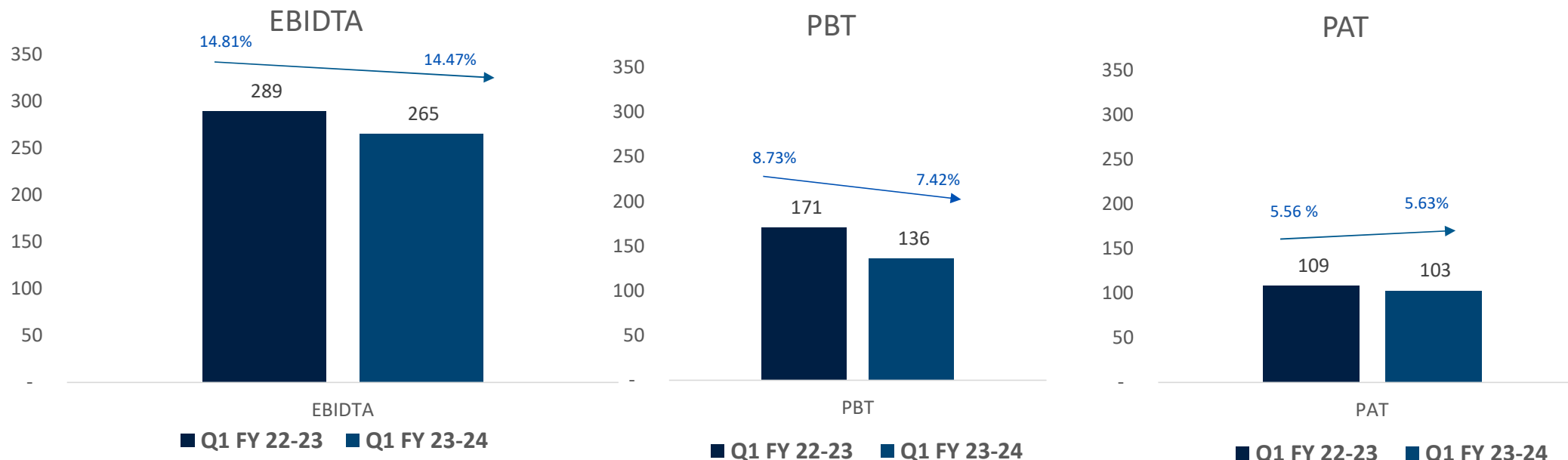


Total sales Rs. 1,830

- *Export has decreased by ₹ 185 Mn or 30.11 % YoY due to normalization of inventory for a new program at customer end in Q1 FY 22-23*
- *Domestic has increased by ₹ 61 Mn or 4.57 % driven by increase in Commercial Vehicles customer volumes*

Standalone Performance Highlights (Q1 FY22-23 - vs – Q1 FY23-24)

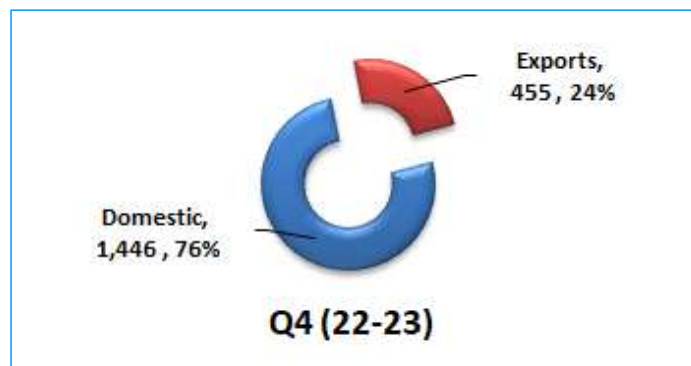
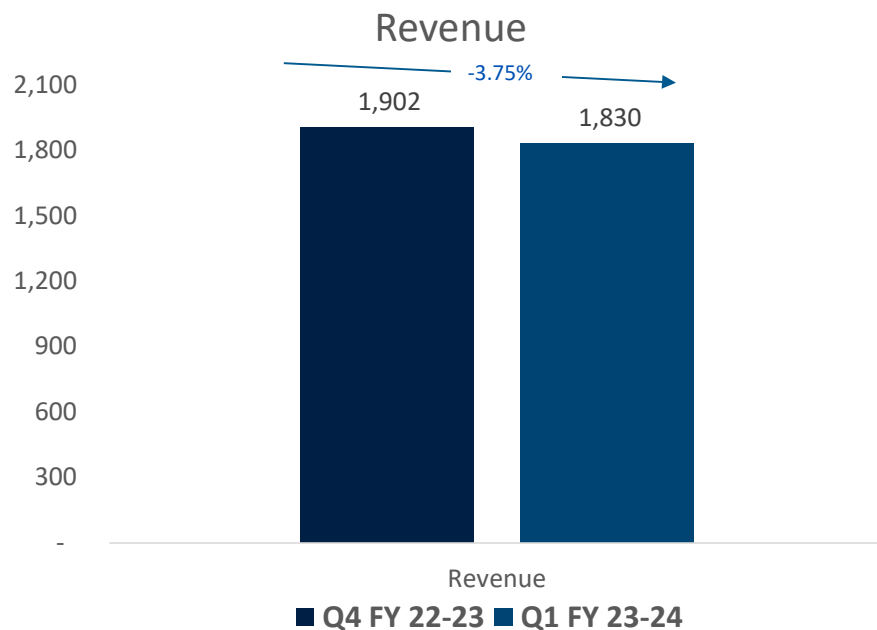
(₹ Mn,% Revenues)



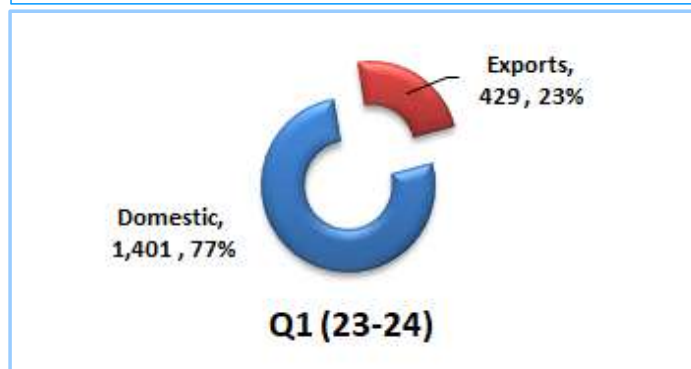
- EBITDA has decreased by ₹ 24 Mn on account of notional impact of steel price increase (though a passthrough) in the Q1 FY 23-24.
- PBT has decreased by ₹ 35 Mn on account of lower EBITDA Margin and notional impact of reclassification of unsettled portion of OCI to Finance cost due to mandatory switch over from LIBOR to SOFR and IRS unwinding in Q1 FY 23-24.
 - Rs. 268 Mn outstanding ECB as on 30th June.2023 and will be fully paid off in Feb 2024.

Standalone Performance Highlights (Q4 FY22-23 - vs – Q1 FY23-24)

(₹ Mn)



Total sales Rs. 1,902

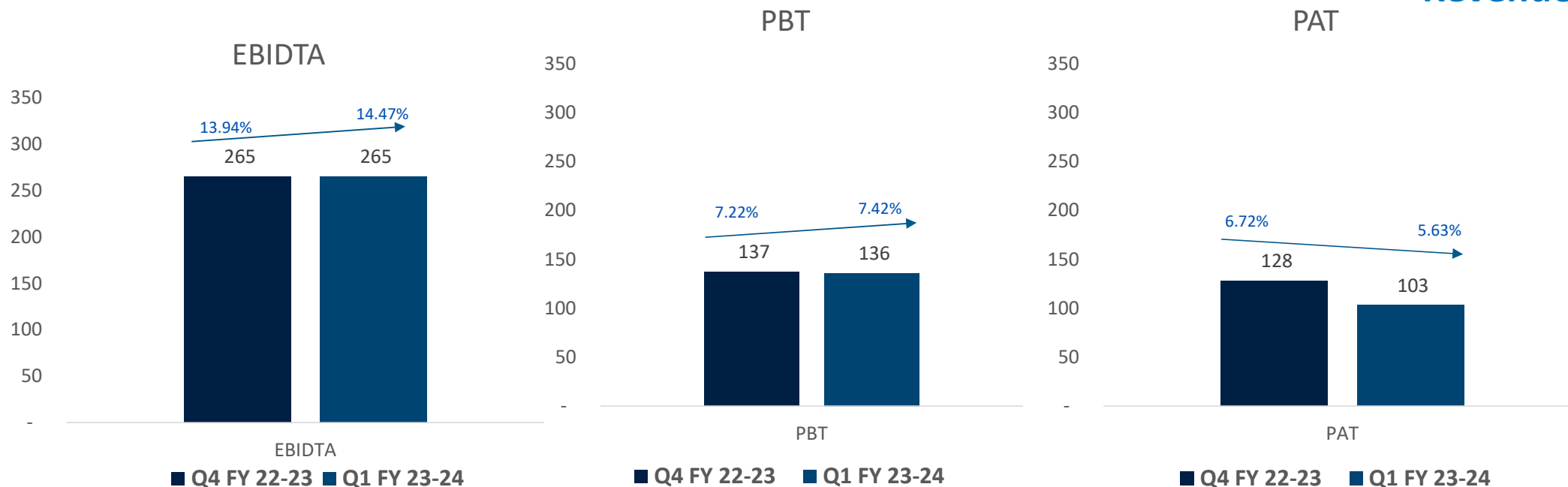


Total sales Rs. 1,830

- Export has decreased by ₹ 26 Mn or 5.73 % due to adjustment of inventory levels at Passenger Car customer end.
- Domestic has decreased by ₹ 45 Mn or 3.12 % due to reduced takeoff from domestic Commercial Vehicle customers.

Standalone Performance Highlights (Q4 FY22-23 - vs – Q1 FY23-24)

(₹ Mn, % Revenues)



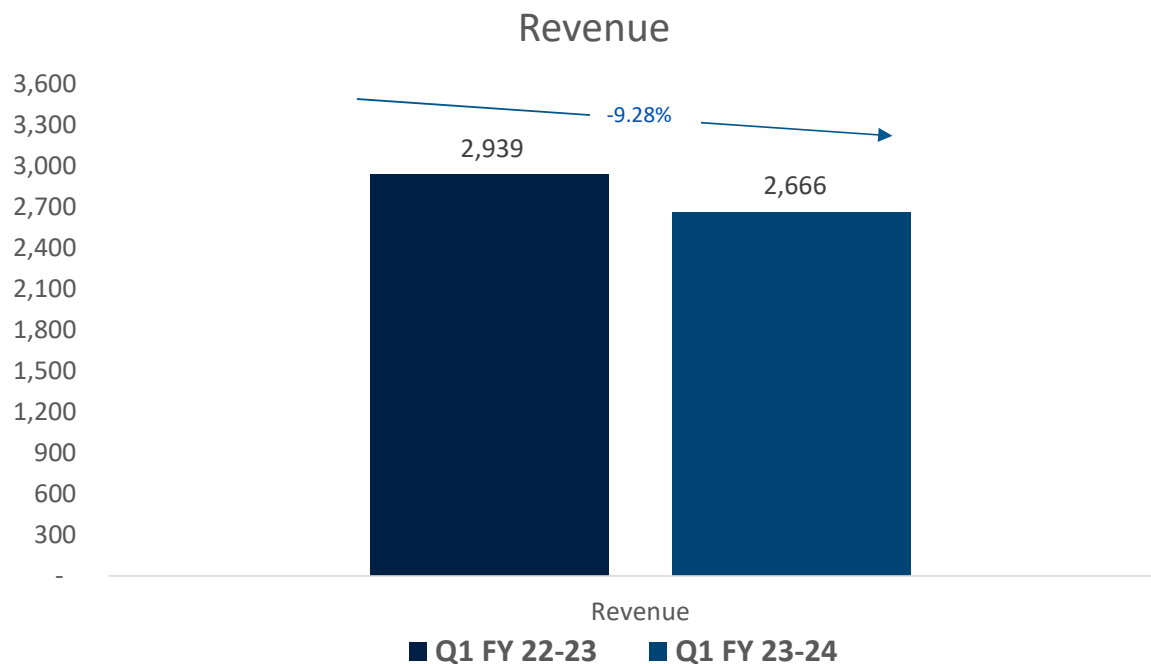
- EBITDA is at similar level despite decline in sales of ₹ 71 Mn due to continuous improvement in operational efficiency.
- As a result, PBT margin has also improved
- However, PAT and PAT margin have reduced due to creation of deferred tax asset in Q4 FY 22-23.

Financials Summary – THGL Standalone (Q1 FY 22-23 - vs – Q4 FY 22-23 – vs- Q1 FY 23-24) (₹ Mn)

Standalone Financials Numbers							
	Q1 2022-23	Q4 2022-23	Q1 2023-24	Growth (Q1 YOY)	Growth % (Q1 YOY)	Growth (Q1 FY 24 vs Q4 2022-23)	Growth % (Q1 FY 24 vs Q4 2022-23)
Total Revenue	1,954	1,902	1,830	(124)	-6.32%	(71)	-3.75%
EBIDTA	289	265	265	(24)	-8.45%	(0)	-0.10%
<i>EBIDTA%</i>	14.81%	13.94%	14.47%				
Interest Cost	43	44	48	5	12.53%	4	8.54%
Deprecation	76	84	81	5	6.40%	(3)	-3.13%
PBT	171	137	136	(35)	-20.32%	(1)	-1.03%
<i>PBT%</i>	8.73%	7.22%	7.42%				
PAT	109	128	103	(6)	-5.14%	(25)	-19.35%
<i>PAT%</i>	5.56%	6.72%	5.63%				

Consolidated Performance Highlights (Q1 FY22-23 - vs – Q1 FY23-24)

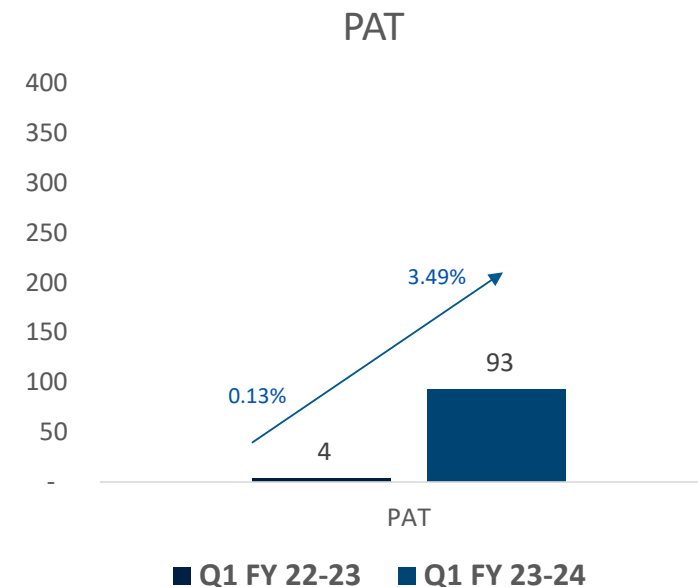
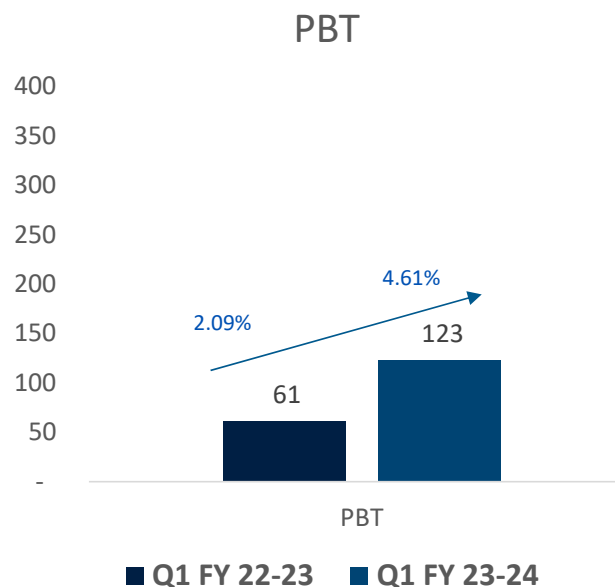
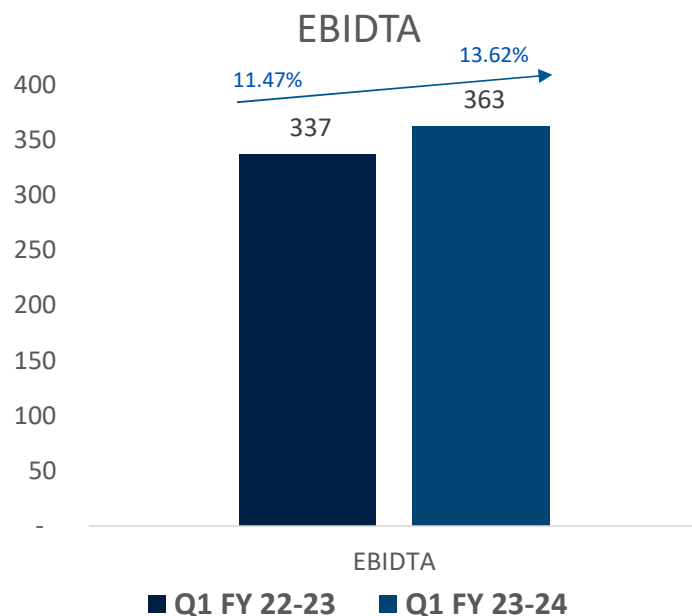
(₹ Mn)



- *Turnover has decreased by ₹ 273 Mn due to normalization of inventory built up by a Passenger Car customer for a new program and softening of demand in Overseas entity in Q1 FY 23-24.*

Consolidated Performance Highlights (Q1 FY22-23 - vs – Q1 FY23-24)

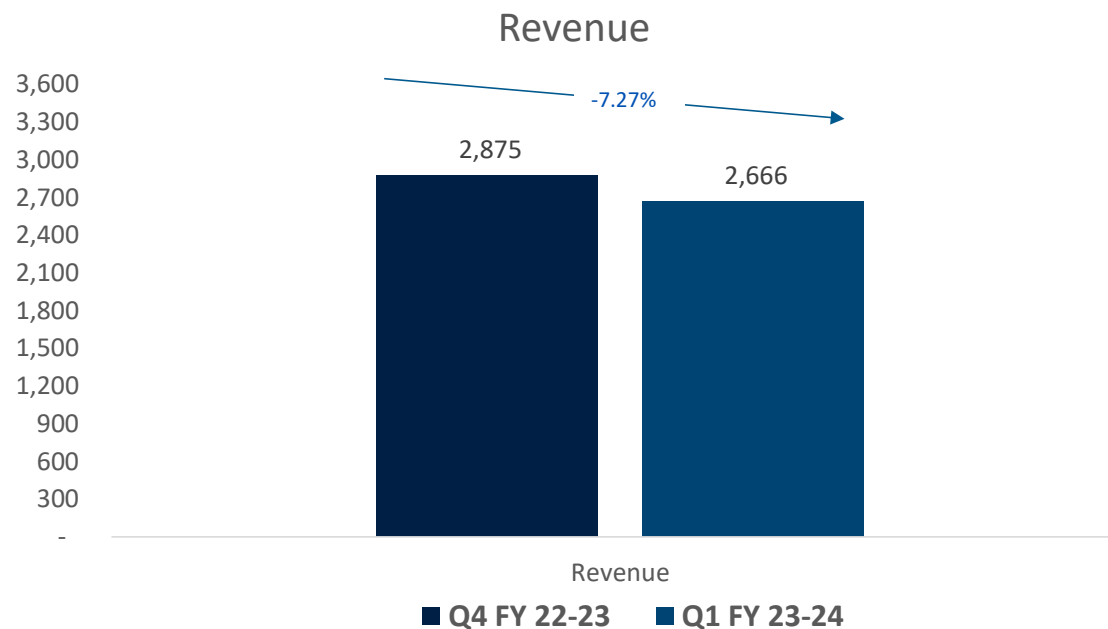
(₹ Mn, % Revenues)



- EBITDA has increased by ₹ 26 Mn due to substantial improvement in operational efficiency of overseas Business.
- PBT has improved by ₹ 61 Mn on account of improvement in EBITDA and impact of amortization of Goodwill in Q1 of FY 22-23.
- PAT has increased by ₹ 89 Mn on account of improved PBT and lower tax liability.

Consolidated Performance Highlights (Q4 FY22-23 - vs – Q1 FY23-24)

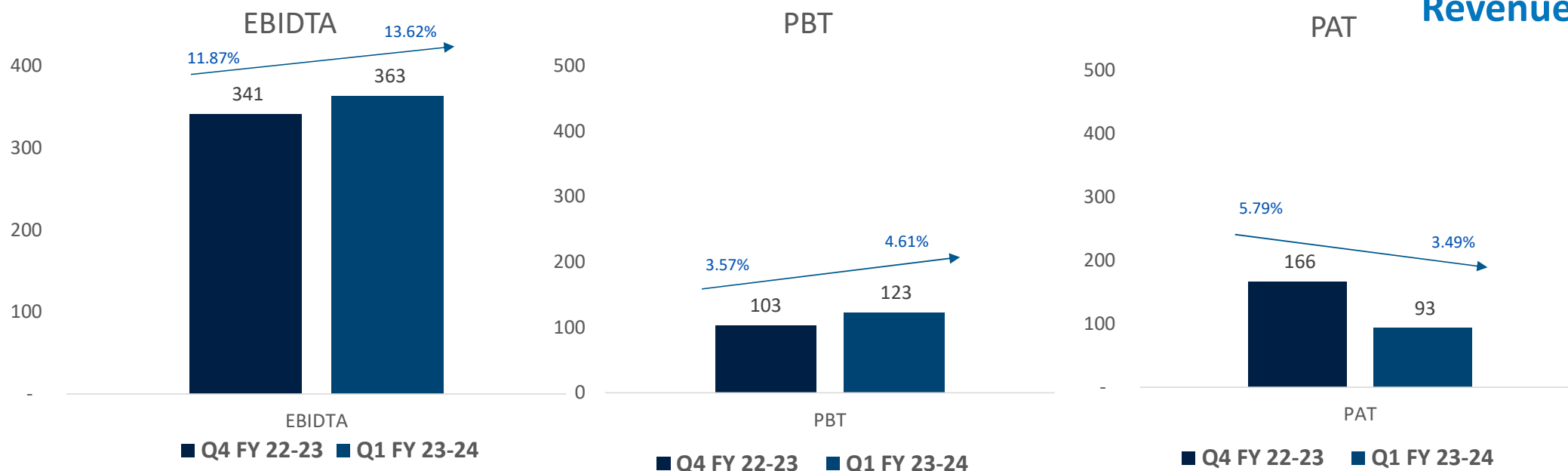
(₹ Mn)



- *Turnover has decreased by ₹ 209 Mn or 7.27 % due to inventory adjustment by a Passenger Car customer, reduced takeoff from domestic Commercial Vehicle customers and softening of demand in Overseas entity in Q1 FY 23-24.*

Consolidated Performance Highlights (Q4 FY23-24 - vs – Q1 FY23-24)

(₹ Mn,% Revenues)



- EBITDA has increased by ₹ 22 due to improvement in operational efficiency of the overseas business.
- As a result, PBT has increased by ₹ 20 Mn on account of improvement in EBITDA
- PAT has decreased by ₹ 73 Mn and PAT margin has declined from 5.79% to 3.49%.
 - In Q4 of FY 22-23, the company has created DTA deferred tax asset on the accumulated losses in overseas entity resulting into PAT > PBT.

Financials Summary – THGL Consolidated (Q1 FY 22-23 - vs – Q4 FY 22-23 – vs- Q1 FY 23-24) (₹ Mn)

Consolidated Financials Numbers							
	Q1 2022-23	Q4 2022-23	Q1 2023-24	Growth	Growth %	Growth	Growth %
Total Revenue	2,939	2,875	2,666	(273)	-9.28%	(209)	-7.27%
EBIDTA	337	341	363	26	7.69%	22	6.38%
<i>EBIDTA%</i>	11.47%	11.87%	13.62%				
Interest Cost	78	87	90	12		3	
Deprecation	198	151	150	(48)		(1)	
PBT	61	103	123	61	99.92%	20	19.83%
<i>PBT%</i>	2.09%	3.57%	4.61%				
PAT	4	166	93	89	2426.88%	(73)	-44.13%
<i>PAT%</i>	0.13%	5.79%	3.49%				

Table of Contents

- **About THGL**
- **Financial Update**
- **Management Perspective**

Commentary on Overseas Performance for Q1 FY23-24

- The consolidated performance for Q1 FY 23-24 has improved significantly due to improvement in the Overseas operations.
- In Q1FY 23-24, low pick-up from the customers resulted in reduction in sales of the Overseas business
 - Low pickup driven by customer and OEM plant shutdowns
- 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
 - Internal efficiency improvements on repair and maintenance expenses, rejection, insurance cost, consumables and tools
 - Adopting a lean operating model resulting in break-even point reduction by 28% of the overseas business
- We are also focused on improving our asset utilization through targeted selling of existing capacity
 - Higher customer engagement and green scorecards to secure new business
 - Newly won businesses are launched with limited capex by leveraging existing capacities

Commentary on Standalone Performance for Q1 FY23-24

- Revenue Highlights :
 - In Q1 FY 23-24, revenue share of Two-Wheeler (TW) ~ 38%; Commercial Vehicle (CV), Agriculture and Off-road ~ 47% and Passenger Car (PC) ~ 15%
 - Revenues have declined by 3.7% QoQ in Q1 FY 23-24 vs. Q4 FY 22-23 and 6.3% YoY vs. Q1 FY 22-23
 - In TW business, customer take-off volumes have declined
 - In CV business, sales is in line with customer growth
 - In PC business, revenue decline due to inventory level correction at customer end for a new program
- Focus on continuous improvement
 - Internal cost reduction initiatives focused on yield improvement (raw material) and conversion costs (tools, oils, consumables and manpower)
 - Managing inflationary impacts through internal efficiency actions
- Won ₹ 287 Mn of new business in Q1 FY 23-24 (annualize revenues)
 - Entry into Indian Passenger Car segment with business of ~ 250 Mn annualized (~ 89% of total new business wins)

Thrust on EV and New Technology

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

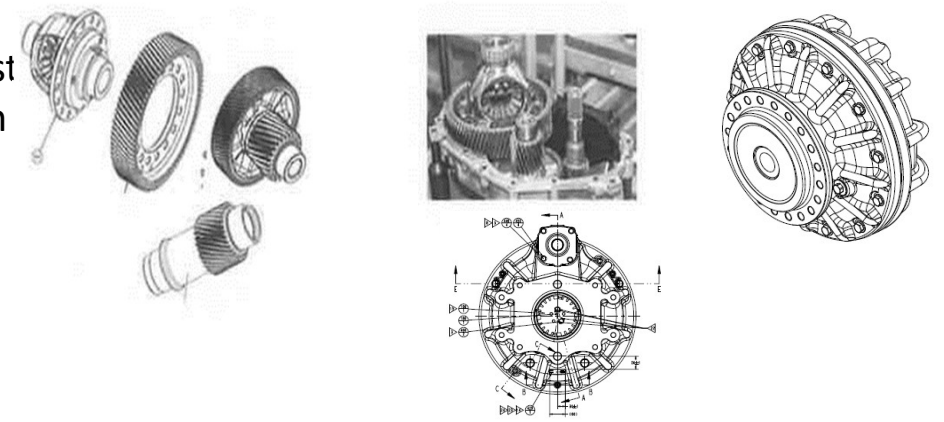


Advance Technology Components

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 Motocorp and Dana – currently in Productionization

Active quotes across customers in EV space

New Business Wins – India Operations

FY 22-23

- New business won ~ ₹ 1,481 Mn annualized
 - Current Customer ₹ 931 Mn
 - New Customer ₹ 550 Mn
- New business won ~ ₹ 1,481 Mn annualized
 - EV Business ₹ 360 Mn
 - ICE Business ₹ 1,121 Mn

Q1 FY 23-24

- New business won ~ ₹ 287 Mn annualized
 - Current Customer ₹ 5 Mn
 - New Customer ₹ 282 Mn
- Entry into Indian Passenger Car Segment

New Customers



EV Customers



Pivot on EV and new customer additions

Awards and Recognitions

Quality & Zero Defect	Manufacturing & Organizational Excellence	Export Excellence	Supply Chain	IGBC & TPM
<ul style="list-style-type: none"> • Hero Moto Corp • Tata Cummins • Navistar • Cummins • JCB India • American Axle • ICQCC-Gold 	<ul style="list-style-type: none"> • SHINGO Prize – Silver • ACMA – Gold 	<ul style="list-style-type: none"> • ACMA Gold • ACMA Silver • ACMA Bronze • Rajasthan Government 	<ul style="list-style-type: none"> • Hero Moto Corp • Daimler (DICV) • FIAT Group New Holland • Cummins India • Tata Cummins 	<ul style="list-style-type: none"> • Japan Institute of Plant Maintenance (JIPM) • IGBC – Gold • IGBC – Platinum

Recent Awards



Testimonials of being an Industry Pioneer

For any further details, please contact:

Email - investor.relations@thehitechgears.com

Website – www.thehitechgears.com



Thank you for your attention

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Version 00 (April 2018)

