

STERLING TOOLS LIMITED

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<u>By NEAPS</u>	<u>By Listing Centre</u>
National Stock Exchange of India Limited "Exchange Plaza", Bandra-Kurla Complex, Bandra (E) Mumbai-400051	General Manager BSE Limited 1 st Floor, P. J. Towers Dalal Street Mumbai – 400001
Security Code No.: STERTOOLS	Security Code No.: 530759

Date: 01st February 2024**Sub: Investor Presentation for Q3 & 9M ending 31st December 2023**

Dear Sir/ Madam,

This is in pursuant to the requirement of the Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and in continuation of our previous letter dated 27th January 2024, regarding the announcement of the Analyst/Institutional Investor meeting – Earnings Conference Call scheduled for Friday, 02nd February 2024 at 02:00 p.m., kindly find enclosed herewith Investor Presentation of the Company for the third quarter (Q3) and nine months (9M) ending 31st December 2023.

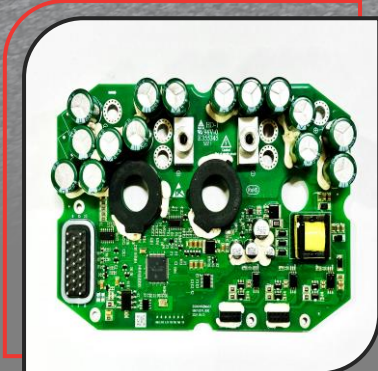
This is for your information and records.

Sincerely
For **STERLING TOOLS LIMITED**


Abhishek Chawla
Company Secretary & Compliance Officer
M. No. A 34399

Encl.: As above.

DRIVING TRANSFORMATION, POWERING THE FUTURE



Sterling Tools Limited

Investor Presentation
February 2024

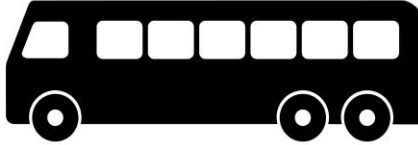
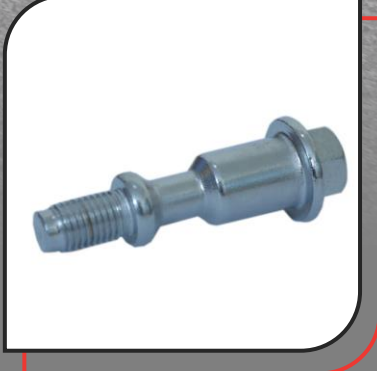
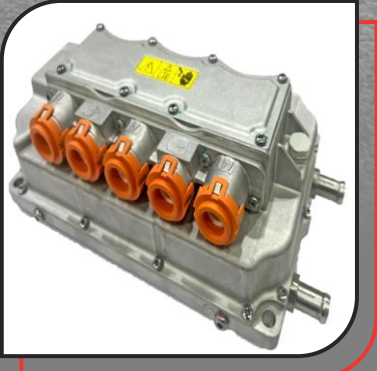


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SAFE HARBOR STATEMENT



This presentation and the accompanying slides (the "Presentation") have been prepared by Sterling Tools Ltd (the "Company") solely for informational purposes and do not constitute an offer, recommendation, or invitation to purchase or subscribe for any securities, and shall not serve as the basis for any contract or binding commitment.

No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

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**STERLING GTAKE
E-MOBILITY**
RELIABLE. SUSTAINABLE. TRANSFORMATIONAL.



Q3 & 9M FY24 Business Highlights



Commenting on the results and performance for Q3 & 9M FY24, Mr. Atul Aggarwal, Whole time Director of Sterling Tools Ltd. said:

“The Sterling Group continues to exhibit steady performance, in 9M FY24 consolidated total income grew by 19% to Rs. 668 crores against Rs. 562 crores in 9M FY23 and the EBITDA margin stood at 12.3%. Sterling Gtake E-Mobility (SGEM) subsidiary contributed 33% of consolidated revenue in 9M FY24 vs 21% in 9M FY23, an indication of how well this new business has performed for us. During this period SGEM completed localization of an MCU for the LCV segment and embarked on an SAP implementation project. SGEM also booked its first export order.

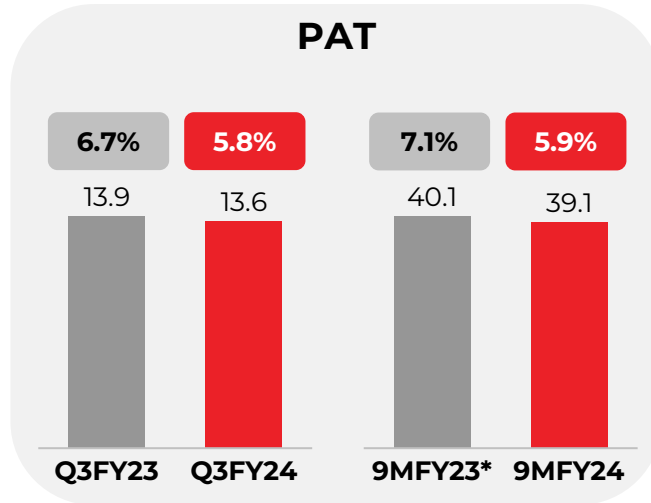
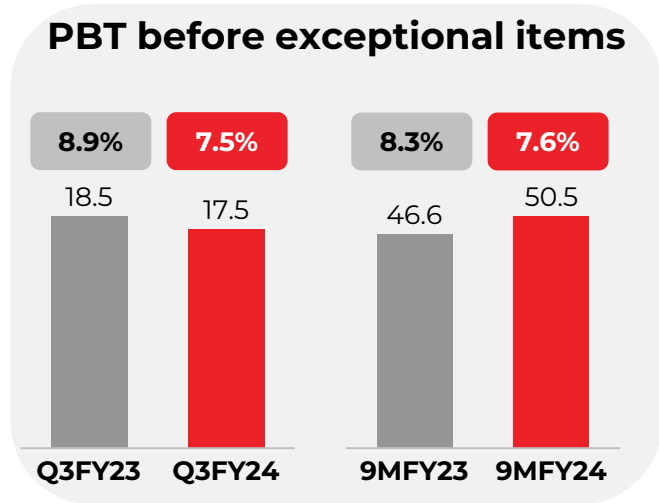
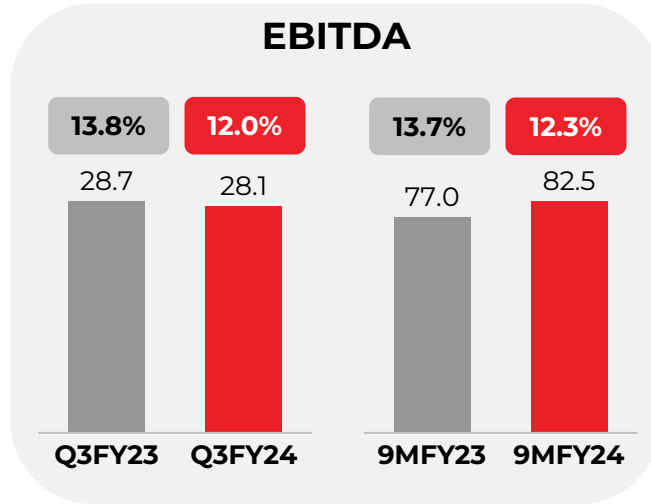
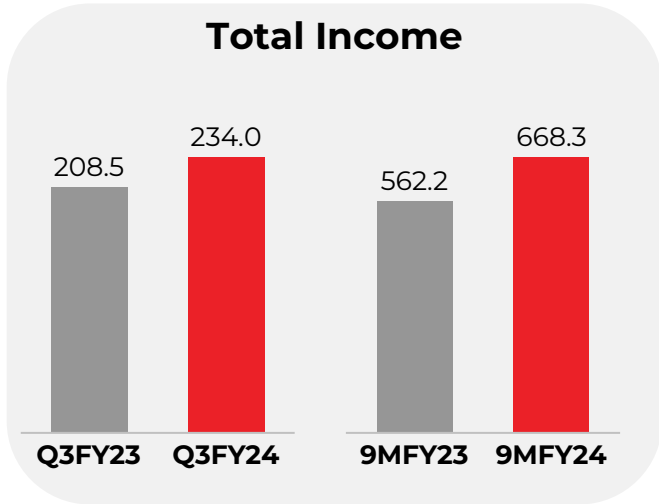
The top-line in standalone business was muted as we faced some concerns in customer’s portfolio. We plan to mitigate the same through new customer addition in short-term.

We are currently working on a three-pronged growth strategy of customer acquisition, higher share of wallet and new product launches.”

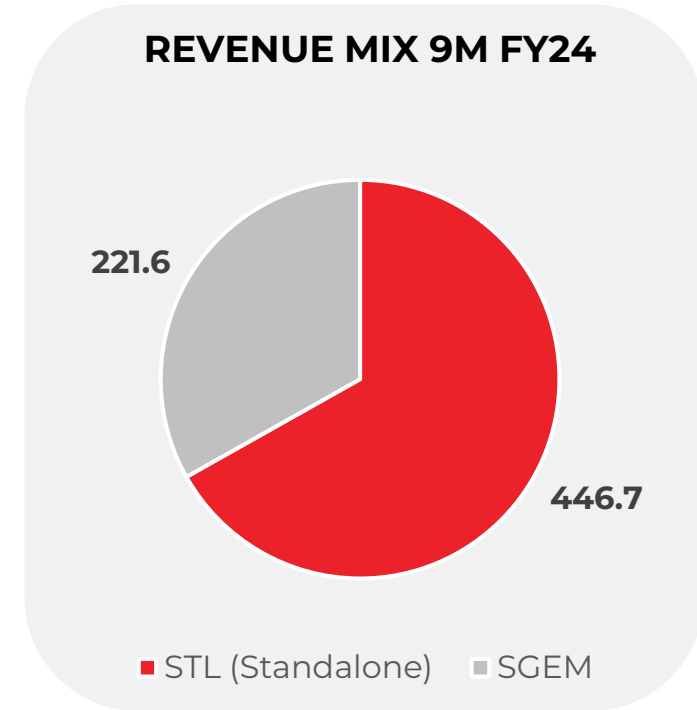
CONSOLIDATED FINANCIAL HIGHLIGHTS



Rs. in Crs.



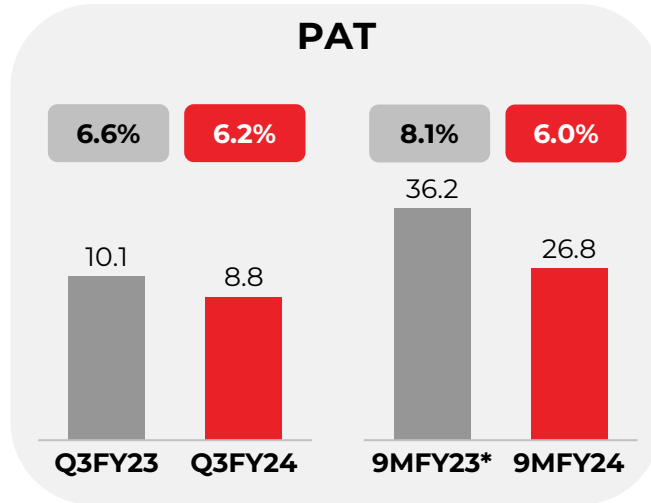
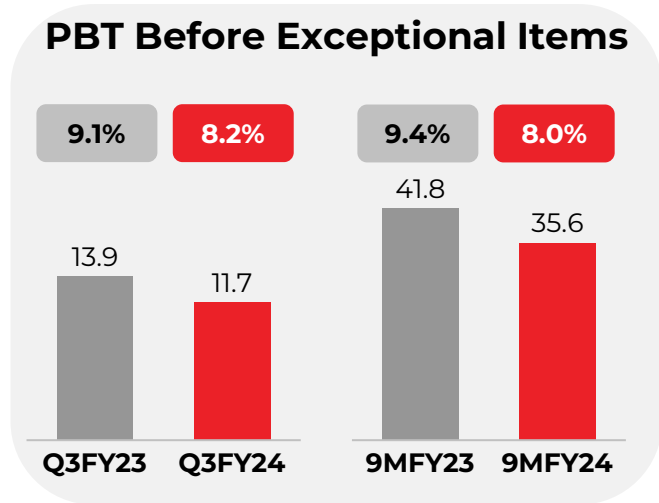
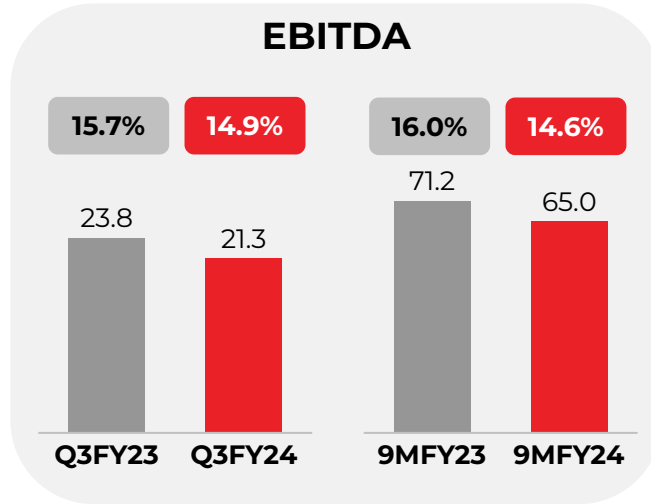
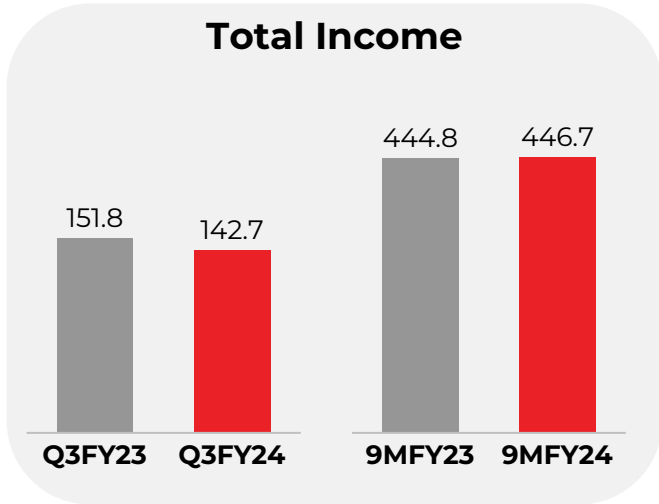
*Includes Rs. 6.7 crores of insurance claim



STANDALONE FINANCIAL HIGHLIGHTS



Rs. in Crs.



*Includes Rs. 6.7 crores of insurance claim

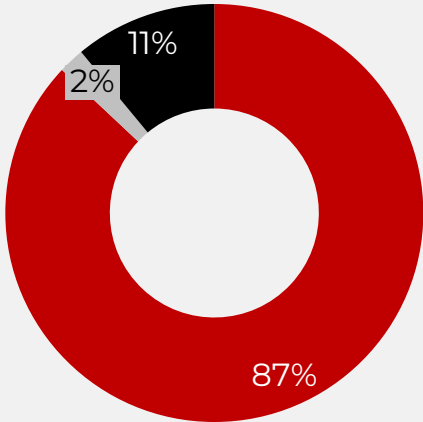
- The top-line has grown marginally during 9M FY24, however, growth in subsequent periods will be aided on the back of new order inflows
- EBITDA margin drop is only on account of lower revenue

WELL DIVERSIFIED REVENUE MIX



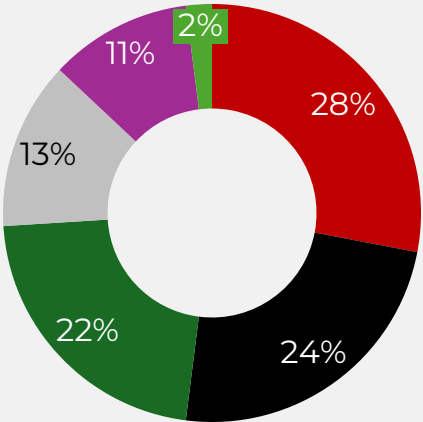
STL (Standalone)

**Channel-wise mix
9M FY24**



- OEM
- Exports
- Replacement

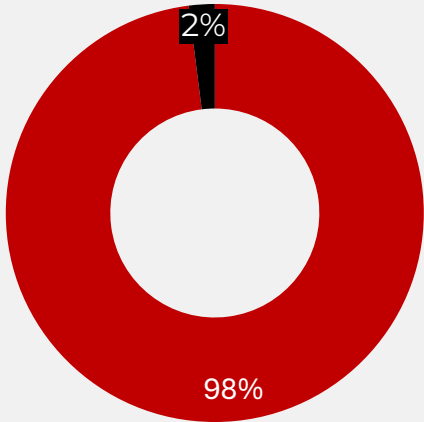
**End-user segment-wise mix
9M FY24**



- PV
- Farm Equipment & Off Road
- 2W
- Retail
- CV
- Exports

SGEM

**End-user segment-wise mix
9M FY24**



- 2W
- 3W & Others*

Note - 100% EV products supplied to OEMs
*3W & others includes sales in EV



FINANCIAL HIGHLIGHTS



CONSOLIDATED PROFIT & LOSS STATEMENT



Rs. in Crs.

Particulars (Rs Crs)	Q3FY24	Q3FY23	YoY (%)	Q2FY24	QoQ (%)	9MFY24	9MFY23	YoY (%)
Total Income	234.0	208.5	12.2%	211.5	10.6%	668.3	562.2	18.9%
Cost of Goods Sold	120.9	110.5		109.5		347.1	277.7	
Gross Profit	113.1	97.9	15.5%	102.1	10.8%	321.2	284.5	12.9%
Gross Profit Margin	48.3%	47.0%		48.3%		48.1%	50.6%	
Total Expenses	85.0	69.2		75.3		238.7	207.5	
EBITDA	28.1	28.7	-2.1%	26.7	5.1%	82.5	77.0	7.1%
EBITDA Margin	12.0%	13.8%		12.6%		12.3%	13.7%	
Depreciation and amortisation expenses	8.4	7.9		8.3		24.8	23.8	
Finance costs	2.2	2.3		2.6		7.2	6.6	
Profit before exceptional items	17.5	18.5	-5.2%	15.8	10.8%	50.5	46.6	8.3%
Profit before exceptional items Margin	7.5%	8.9%		7.5%		7.6%	8.3%	
Exceptional item	-	-		0.6		0.4	6.7	
Profit before tax	17.5	18.5	-5.2%	16.4	6.8%	50.9	53.3	-4.6%
Profit before tax Margin	7.5%	8.9%		7.8%		7.6%	9.5%	
Tax	3.9	4.6		4.0		11.8	13.2	
Profit after tax	13.6	13.9	-2.4%	12.5	9.0%	39.1	40.1*	-2.5%
Profit after tax Margin	5.8%	6.7%		5.9%		5.9%	7.1%	
EPS	3.77	3.86		3.46		10.86	11.13	

*Includes Rs. 6.7 crores of insurance claim

STANDALONE PROFIT & LOSS STATEMENT



Rs. in Crs.

Particulars (Rs Crs)	Q3FY24	Q3FY23	YoY (%)	Q2FY24	QoQ (%)	9MFY24	9MFY23	YoY (%)
Total Income	142.7	151.8	-6.0%	155.4	-8.2%	446.7	444.8	0.4%
Cost of Goods Sold	53.4	64.7		69.2		183.2	180.7	
Gross Profit	89.3	87.1	2.6%	86.2	3.7%	263.4	264.2	-0.3%
Gross Profit Margin	62.6%	57.4%		55.5%		59.0%	59.4%	
Total Expenses	68.0	63.3		63.5		198.4	193.0	
EBITDA	21.3	23.8	-10.4%	22.7	-6.1%	65.0	71.2	-8.6%
EBITDA Margin	14.9%	15.7%		14.6%		14.6%	16.0%	
Depreciation and amortisation expenses	7.9	7.7		7.9		23.4	23.3	
Finance costs	1.7	2.2		2.0		6.0	6.1	
Profit before exceptional items	11.7	13.9	-15.5%	12.8	-8.3%	35.6	41.8	-14.8%
Profit before exceptional items Margin	8.2%	9.1%		8.2%		8.0%	9.4%	
Exceptional item	0.0	0.0		0.6		0.4	6.7	
Profit before tax	11.7	13.9	-15.5%	13.4	-12.4%	36.0	48.6	-25.8%
Profit before tax Margin	8.2%	9.1%		8.6%		8.1%	10.9%	
Tax	2.9	3.8		3.4		9.2	12.4	
Profit after tax	8.8	10.1	-12.9%	10.0	-11.7%	26.8	36.2*	-25.8%
Profit after tax Margin	6.2%	6.6%		6.4%		6.0%	8.1%	
EPS	2.44	2.80		2.76		7.45	10.04	

*Includes Rs. 6.7 crores of insurance claim



HISTORICAL FINANCIALS

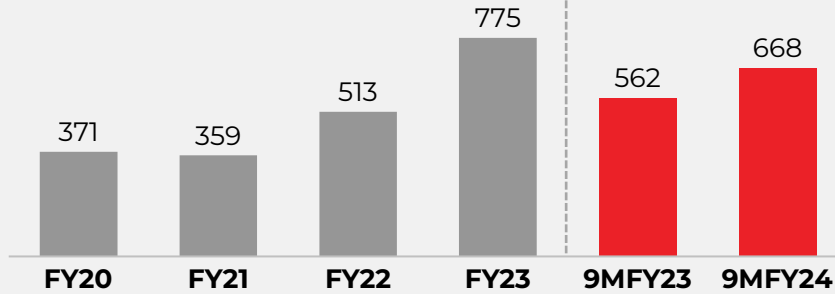


CONSOLIDATED FINANCIAL HIGHLIGHTS

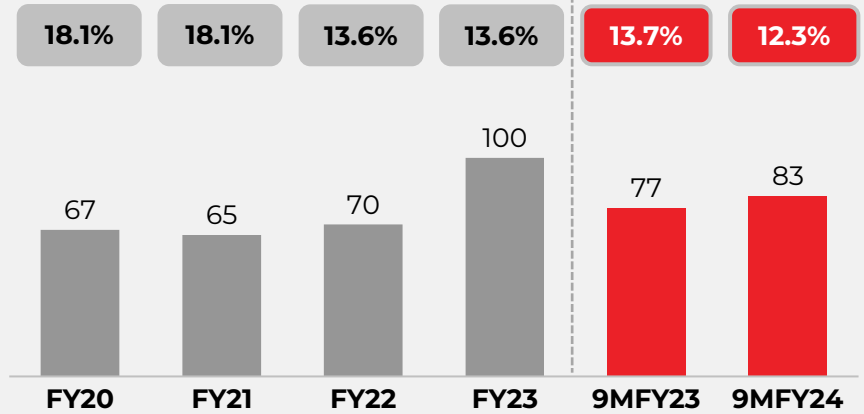


Rs. in Crs.

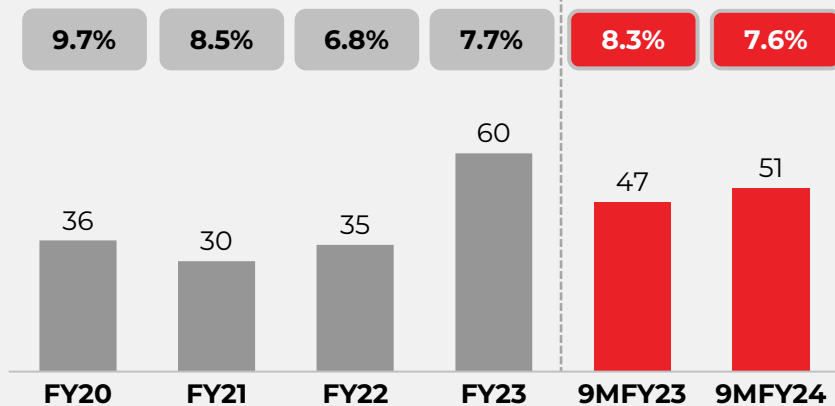
Total Income



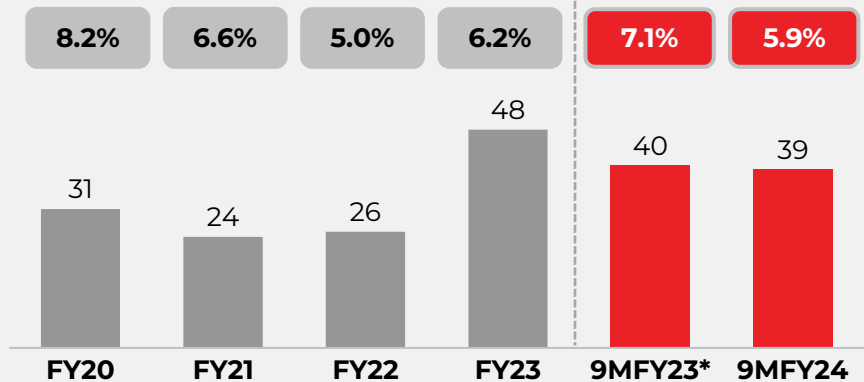
EBITDA



PBT before exceptional items



PAT



*Includes Rs. 6.7 crores of insurance claim

STANDALONE FINANCIAL HIGHLIGHTS

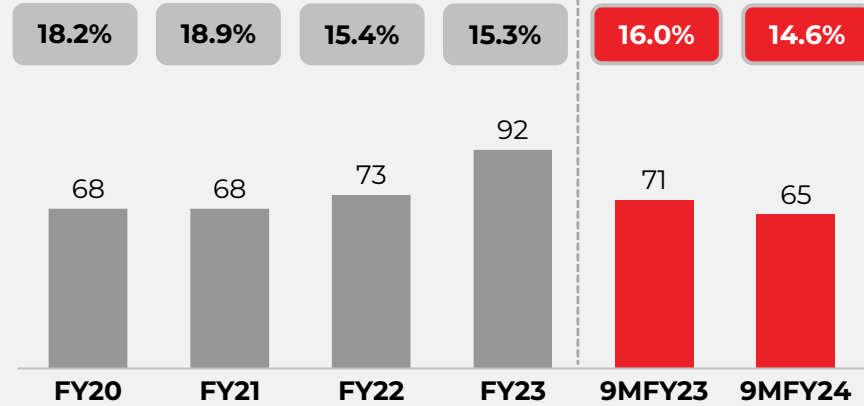


Rs. in Crs.

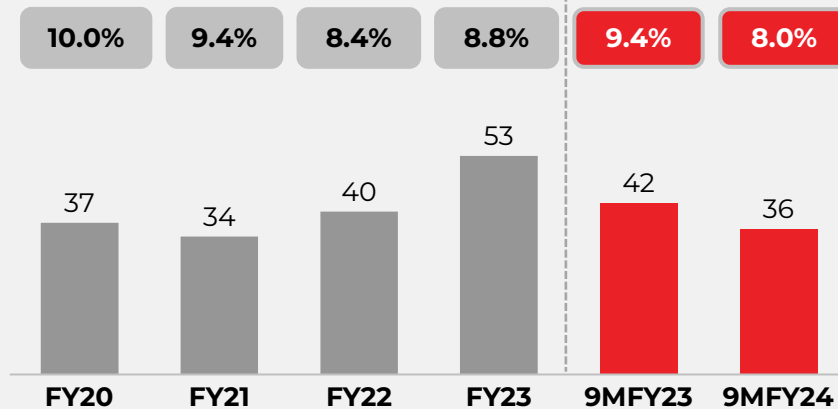
Total Income



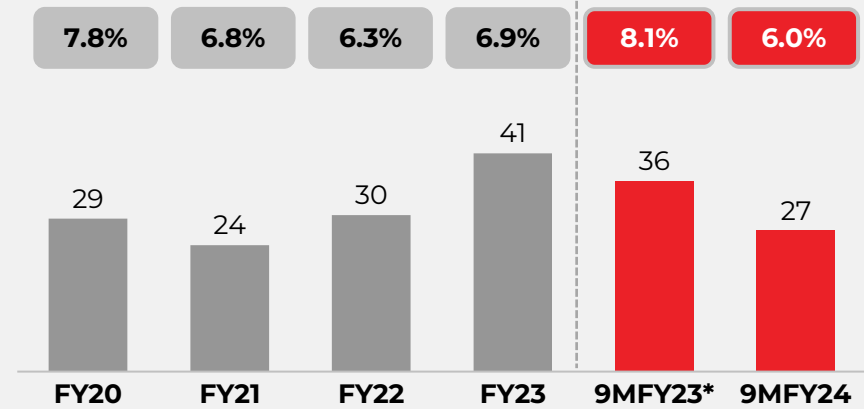
EBITDA



PBT before exceptional items



PAT



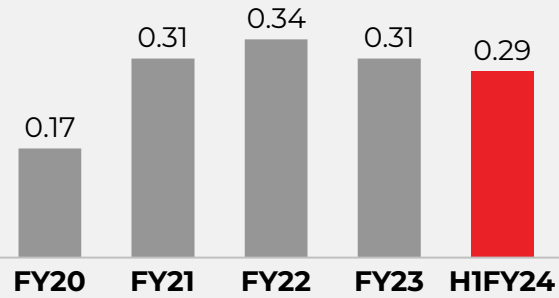
*Includes Rs. 6.7 crores of insurance claim

KEY RATIOS

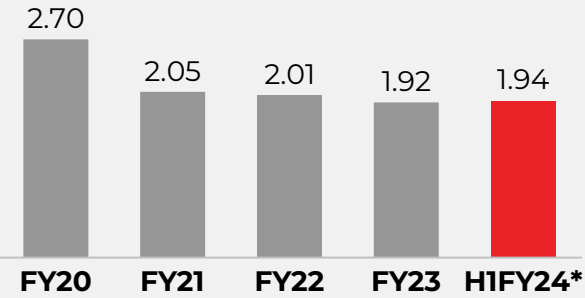


STANDALONE

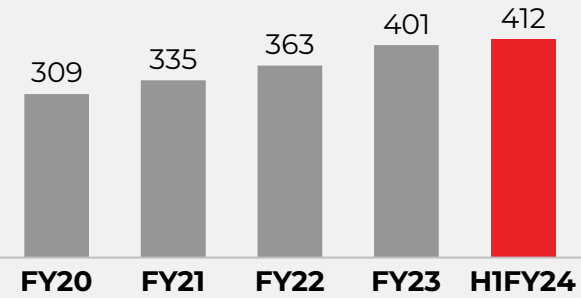
Debt / Equity (x)



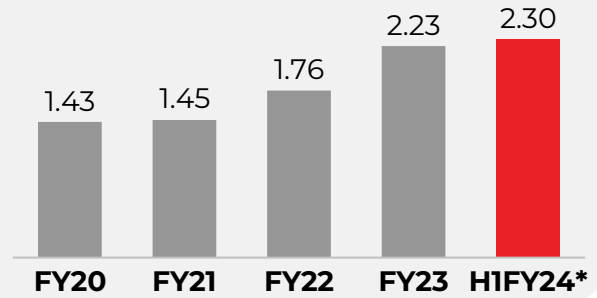
Current Ratio (x)



Networth (Rs. Cr.)

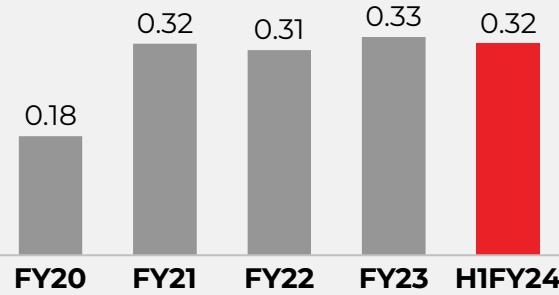


Net Fixed Asset Turnover (x)

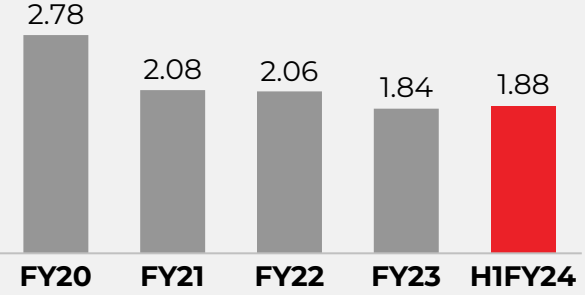


CONSOLIDATED

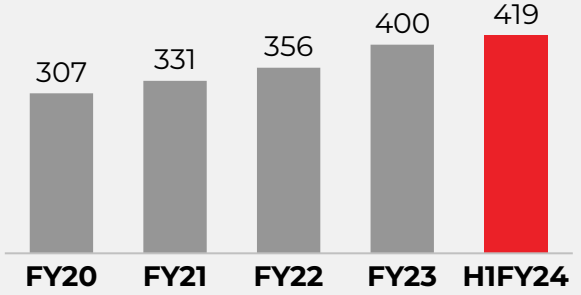
Debt / Equity (x)



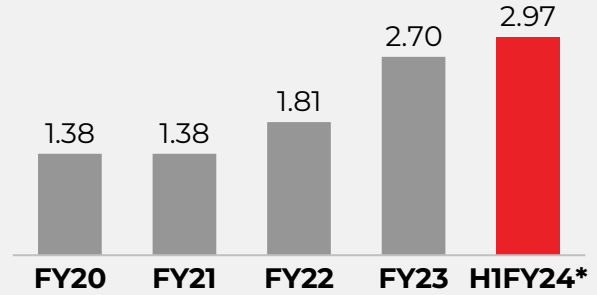
Current Ratio (x)



Networth (Rs. Cr.)



Net Fixed Asset Turnover (x)



*on TTM basis



**STERLING GTAKE
E-MOBILITY**
RELIABLE. SUSTAINABLE. TRANSFORMATIONAL.



ANNEXURE



STERLING GROUP

One of the leading Auto Component Player with a legacy of more than 4 decades

Rs. 668 Cr.* Group Turnover	2nd Largest Manufacturer of Fasteners	The largest manufacturer of MCU to Indian EV Industry
700+ Employees	4 manufacturing plants for Fasteners	1 MCU manufacturing plant 2 Tech centers

*Consolidated STL Group turnover for 9M FY24

- 1 **Sterling Tools Limited (STL)** is a premier manufacturer of cold forged, hi-tensile fasteners and supplies to all major auto OEMs
- 2 STL's state of the art manufacturing facilities to provide reliable and high-quality products
- 3 STL caters to major OEMs across PVs, CVs, 2Ws, Construction and Farm Equipment segments
- 4 Sterling Gtake E-mobility Limited (SGEM) is the largest MCU manufacturer in India
- 5 SGEM has more than 50 personnel in Engineering; 20 business contracts & 40 live customer programmes
- 6 SGEM's strong presence in 2W, 3W and LCV segments
- 7 SGEM was EBITDA positive in its first full year of operation

HISTORY & MILESTONES



1979-1981

- **STL Incorporation**
- **First Plant** - DLF (Faridabad)



1982 - 1999

Customer Acquisition

- Maruti Suzuki
- M&M
- HMSI
- Hero Moto Corp
- Suzuki Motorcycle
- Swaraj Tractors
- Tata Motors
- Ashok Leyland
- Volvo Eicher
- Daimler India
- Cummins
- SML Isuzu
- CNH
- Escorts
- Swaraj Engines



1999 - 2019

- **Second Plant** - Wire drawing unit at Ballabgarh (Faridabad)
- **Third Plant** - Prithla (Palwal)
- **Fourth Plant** - Kolar (Bangalore)



2020 - 2022

- **Diversification into EV Components** – through 100% subsidiary **Sterling Gtake E-Mobility Ltd. (SGEM)**
- **SGEM** finished its first full year of operations with a revenue of Rs. 174 cr. and was EBITDA positive



2023 - 2024

- SGEM secured business from **20 customers**
- Capacity Expansion to **600,000 units/pa** initiated
- Working to launch additional **Power Electronics & Electrical products** to capture a higher share of the EV wallet

PRODUCT PORTFOLIO

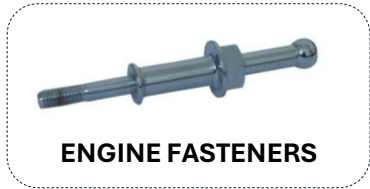


STERLING GTAKE E-MOBILITY
RELIABLE. SUSTAINABLE. TRANSFORMATIONAL.



BRAND ADVANTAGE

STL (STANDALONE)



STANDARDS



SGEM

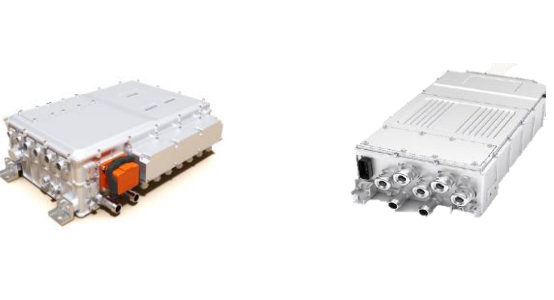
2W & 3W SEGMENT



PV & LCV SEGMENT



M & HCV SEGMENT

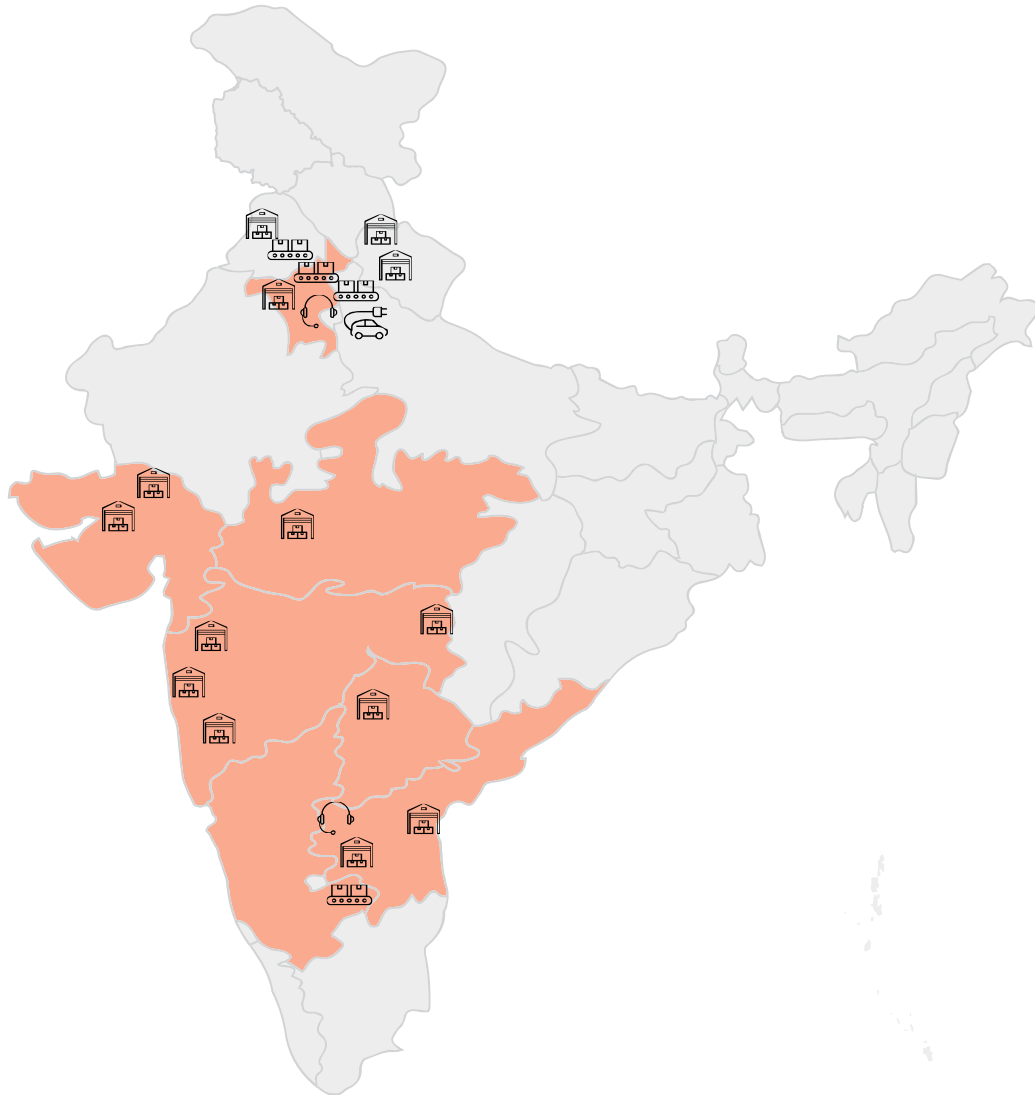


KEY CLIENTELE – STL (STANDALONE)



Passenger Vehicles	  	Two Wheelers	  		
Commercial Vehicles	       				
Farm Equipment	   			Construction	
Exports	  			Aftermarket	<p>Strong Pan-India presence with 100+ Distributors</p>

PAN INDIA PRESENCE



STL (STANDALONE)



4 Manufacturing Plants

- Faridabad
- Ballabhgarh
- Palwal
- Bangalore



21 Warehouses at **14** Locations

SGEM



1 Manufacturing Plant

- Faridabad



2 Tech Centres

- Faridabad
- Bangalore

Note – Maps not to scale. All data, information, and maps are provided “as is” without warranty or any representation of accuracy, timeliness or completeness

Note – Company’s presence in marked in Rose

Our Key Strengths



To partner and explore possible synergies

To explore growth opportunities and leverage strategic partnerships which will lead to higher share of business in the auto component space



First Mover Advantage in EV Component

SGEM is a pioneer in developing MCU's in the 2W:
High speed scooter segment (>~50 kmph)
~50% overall share
~30% market share
Engineering and Ecosystem to support volumes



Leading player in the automotive fastener segment

We are second largest player in the automotive fastener segment

A long-standing relationship with major Auto OEM's enables in increasing its share of business



Team Credibility

Four decades of market presence helped the company to demonstrate strong credibility amongst all the stakeholders

An experienced management coupled with a young and dynamic workforce will enable our company to excel into newer business areas



Sustainable growth and profitability

The Company is focused on building a healthy mix of premium priced value-added products with healthy margins at portfolio level

BOARD OF DIRECTORS



Mr. Anil Aggarwal, Chairman-cum Managing Director

38+ years of experience, Expertise in Manufacturing, Project management, Administration, Product and Project development and Quality control for auto components



Mr. Atul Aggarwal, Whole Time Director

34+ years of experience, Expertise in Marketing, Banking, Finance, Corporate Affairs, Information Technologies and Export Resources Management



Mr. Chhotu Ram Sharma, Director

40+ years of experience, Expertise in Banking & Finance Ex-MD & CEO of Bank of Punjab Ltd.



Mr. Shailendra Swarup, Director

50+ years of experience, Expertise in Corporate Law including International Law CEO- Swarup & company



Mr. Jaideep Wadhwa, Director

30+ years of experience, Expertise in International Business Management, Auto & Industrial Component Industry Knowledge, Ex- MD in the Ingersoll Rand



Mr. Akhill Aggarwal, Director

13+ years of experience, Expertise in Automobile business and other allied services related to the sector



Dr. Triloki Nath Kapoor, Director

50+ years of experience, Expertise in Administration, Management, Regulatory Compliances and Governance related issues. Ex- Vice Chancellor and Dean of Punjab University



Mr. Rakesh Batra, Director

30+ years of experience, Expertise in Consulting and Strong knowledge in Regulatory Compliances. Ex- EY Partner and National Leader Auto Sector



Ms. Malini Sud, Director

35+ years of experience, Expertise in Corporate Laws Founder-Capex Legal



Ms. Rashmi Urdhwareshe, Director

40+ years of experience, Expertise in automotive domain. Ex - Director ARAI (Automotive Research Association of India)








Mr. Anish Agarwal, Director

10+ years of experience, Expertise in Automobile business along with electric and hydrogen vehicles

PREVIOUS ANNUAL RESULTS



Financial Year	PDF Link
FY23	
FY22	
FY21	
FY20	
FY19	



For further information, please contact

STL Group :	Investor Relations Advisors :
 <p><u>Sterling Tools Limited</u></p>  <p>CIN: L29222DL1979PLC009668</p> <p>Mr. Pankaj Gupta (Group Chief Financial Officer) Mr. Abhishek Chawla (Company Secretary) pankaj.gupta@stlfasteners.com / abhishekc@stlfasteners.com +91 (0) 129 – 227 0621/25</p> <p>www.stlfasteners.com</p>	 <p>CIN: U74140MH2010PTC204285</p> <p>Mr. Karan Thakker Mr. Aakash Mehta karan.thakker@sgapl.net / aakash.s.m@sgapl.net +91 81699 62562 / +91 98706 79263</p> <p>www.sgapl.net</p>