

STERLING TOOLS LIMITED

CIN : L29222DL1979PLC009668

WORKS : 5-A DLF Industrial Estate
Faridabad - 121 003 Haryana India
Tel : 91-129-227 0621 to 25/225 5551 to 53
Fax : 91-129-227 7359
E-mail : sterling@stlfasteners.com
website : stlfasteners.com



<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

31st October, 2023

Sub: Investor Presentation for Quarter (Q2) and half year (H1) ending on 30th September, 2023

Dear Sir/ Madam,

This is in continuation of our letter dated 26th October 2023 with respect to intimation of Schedule of Analyst / Institutional Investor meeting – Conference Call on 01st November, 2023 at 10:30 a.m.

Further in pursuant to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Investor Presentation for the quarter (Q2) and half year (H1) ending on 30th September, 2023 of the Company.

This is for your information and records.

Sincerely

For **STERLING TOOLS LIMITED**

A handwritten signature in blue ink that reads 'Abhishek'.

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



Encl.: As above.



**DRIVING
TRANSFORMATION,
POWERING THE FUTURE**

Table of Content



Q2 & H1 FY24 Business Highlights

Financial Highlights

Historical Financials

Annexure

Page No.

04

09

14

17

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.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of Presentation.

This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, Presentation is expressly excluded.

The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward – looking information contained in this presentation.

Any forward – looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.



**STERLING GTAKE
E-MOBILITY**

RELIABLE. SUSTAINABLE. TRANSFORMATIONAL.

Q2 & H1 FY24 Business Highlights



Commenting on the results and performance for Q2 & H1 FY24, Mr. Atul Aggarwal, Whole time Director of Sterling Tools Ltd. said:

“The consolidated revenues grew by 22.8% from Rs 353.8 crore in H1FY23 to Rs. 434.4 crore in H1FY24. The EBITDA has also witnessed a growth of 12.6% to Rs 54.4 crore during the first half of the fiscal year. Our Sterling Gtake E-Mobility (SGEM) subsidiary contributed 30% of consolidated revenue in H1 FY24 vs 17% in H1 FY23, an indication of how well this new business has performed for us.

On a standalone basis, the topline grew by 3.7% to Rs. 304.0 crores. For the same period, the production data for the overall auto industry reflects 1% YoY growth. Within the end-user product sub segments we have either outpaced or been in line with the industry performance.

The Company is introducing STL ESOP plan 2023 wherein the Company shall grant ESOP, subject to regulatory approvals. The ESOP Plan is being introduced with a view to provide employees, of the Company and its subsidiaries, with additional incentives based on productivity and performance and thereby motivating them to contribute further to the corporate growth and profitability.

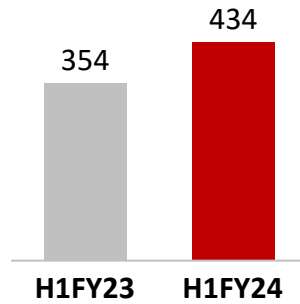
Going ahead, our focus will be to increase capacity utilization thereby enabling the company to achieve operating leverage. We are currently working on a three-pronged strategy of customer acquisition, higher content per vehicle and new product development”

CONSOLIDATED FINANCIAL HIGHLIGHTS

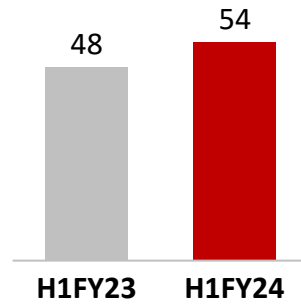


Rs. in Crs.

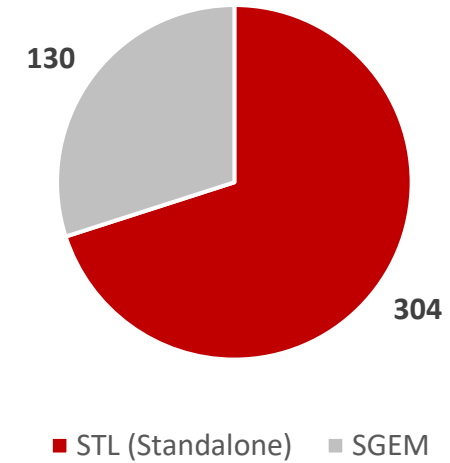
TOTAL INCOME



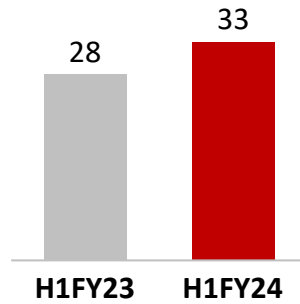
EBITDA



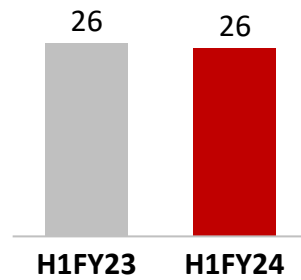
Revenue Mix H1FY24



PBT before exceptional items



PAT*



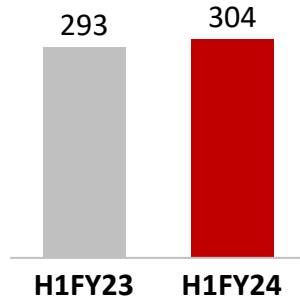
*H1FY23 includes Exceptional gain of Rs. 6.7 crores and Rs. 0.4 crore for H1FY24

STANDALONE FINANCIAL HIGHLIGHTS

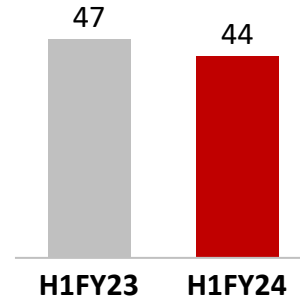


Rs. in Crs.

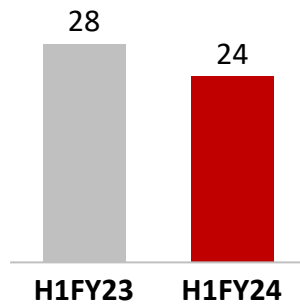
TOTAL INCOME



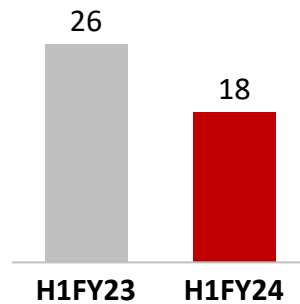
EBITDA



PBT before exceptional items



PAT*



- As per SIAM, the Automobile Industry production has grown by ~1% YoY for the period of April-September. STL has outperformed the industry, growing by 3.7% YoY in H1FY24
- Low revenue growth led to lower absorption of manufacturing expenses as well as (increased) employee costs

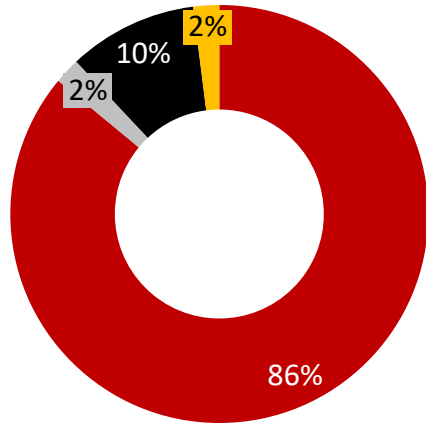
*H1FY23 includes Exceptional gain of Rs. 6.7 crores and Rs. 0.4 crore for H1FY24

WELL DIVERSIFIED REVENUE MIX



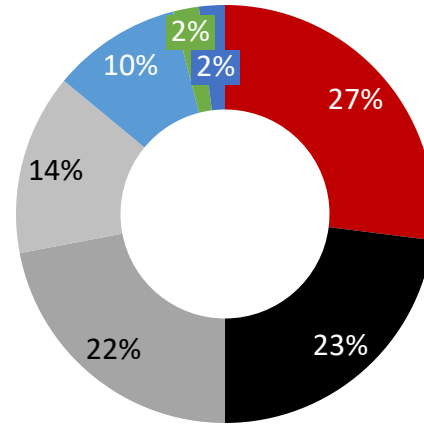
STL (Standalone)

Channel-wise mix
H1FY24



- OEM
- Replacement
- Exports
- Others

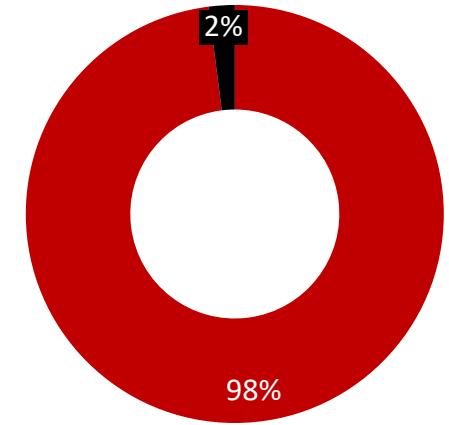
End-user segment-wise mix
H1FY24



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

SGEM

End-user segment-wise mix
H1FY24



- 2W
- 3W & Others*

Note - 100% EV products supplied to OEMs

*3W & others includes sales in EV



FINANCIAL HIGHLIGHTS

CONSOLIDATED PROFIT & LOSS STATEMENT



RELIABLE. SUSTAINABLE. TRANSFORMATIONAL.

Rs. in Crs.

Particulars	Q2FY24	Q2FY23	YoY (%)	Q1FY24	QoQ (%)	H1FY24	H1FY23	YoY (%)
Total Income	211.5	179.1	18.1%	222.8	-5.1%	434.4	353.8	22.8%
Cost of Goods Sold	109.5	80.5		116.8		226.3	167.1	
Gross Profit	102.1	98.7	3.5%	106.0	-3.7%	208.1	186.6	11.5%
Gross Profit Margin	48.3%	55.1%		47.6%		47.9%	52.8%	
Total Expenses	75.3	73.1		78.4		153.7	138.3	
EBITDA	26.7	25.6	4.6%	27.7	-3.3%	54.4	48.3	12.6%
EBITDA Margin	12.6%	14.3%		12.4%		12.5%	13.7%	
Depreciation and amortisation expenses	8.3	8.0		8.1		16.4	15.9	
Finance costs	2.6	2.4		2.5		5.0	4.3	
PBT before exceptional items	15.8	15.2	4.0%	17.1	-7.8%	33.0	28.1	17.2%
PBT before exceptional items Margin	7.5%	8.5%		7.7%		7.6%	8.0%	
Exceptional item	0.6	6.7		-0.2		0.4	6.7	
Profit before tax	16.4	21.9	-25.2%	16.9	-3.1%	33.4	34.9	-4.3%
Profit before tax Margin	7.8%	12.2%		7.6%		7.7%	9.9%	
Tax	4.0	5.3		3.9		7.8	8.7	
Profit after tax	12.5	16.6	-24.9%	13.1	-4.6%	25.5	26.2	-2.5%
Profit after tax Margin	5.9%	9.3%		5.9%		5.9%	7.4%	
EPS	3.46	4.61		3.63		7.09	7.27	

Consolidated Balance Sheet



Rs. in Crs.

Particulars	Sep-23	Mar-23
ASSETS		
Non-current assets		
Property, Plant and Equipment	279.9	273.9
Investments	15.3	15.3
Others	20.8	24.5
Total Non-current assets	315.9	313.7
Current Assets		
Inventories	171.2	163.4
Trade Receivables	80.3	81.4
Cash and Bank Balance	77.1	54.9
Others	29.6	43.6
Total current assets	358.1	343.2
TOTAL ASSETS	674.1	656.9

Particulars	Sep-23	Mar-23
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	7.2	7.2
Other Equity	411.5	393.2
Total Equity	418.8	400.4
Liabilities		
Non current liabilities		
Borrowings – (Long Term)	29.7	36.6
Others	35.1	33.6
Total Non current liabilities	64.7	70.2
Current liabilities		
Borrowings – (Short Term)	104.9	95.9
Trade payables	57.3	58.4
Others	28.4	32.0
Total Current Liabilities	190.6	186.3
TOTAL EQUITY AND LIABILITIES	674.1	656.9

STANDALONE PROFIT & LOSS STATEMENT



RELIABLE. SUSTAINABLE. TRANSFORMATIONAL.

Rs. in Crs.

Particulars	Q2FY24	Q2FY23	YoY (%)	Q1FY24	QoQ (%)	H1FY24	H1FY23	YoY (%)
Total Income	155.4	154.7	0.4%	148.6	4.5%	304.0	293.0	3.7%
Cost of Goods Sold	69.2	60.1		60.7		129.9	115.9	
Gross Profit	86.2	94.6	-8.9%	87.9	-2.0%	174.1	177.1	-1.7%
Gross Profit Margin	55.5%	61.2%		59.2%		57.3%	60.4%	
Total Expenses	63.5	68.8		66.9		130.4	129.7	
EBITDA	22.7	25.8	-12.1%	21.0	7.9%	43.7	47.4	-7.8%
EBITDA Margin	14.6%	16.7%		14.1%		14.4%	16.2%	
Depreciation and amortisation expenses	7.9	7.8		7.7		15.6	15.6	
Finance costs	2.0	2.1		2.2		4.3	3.9	
PBT before exceptional items	12.8	15.9	-19.7%	11.1	15.1%	23.9	28.0	-14.5%
PBT before exceptional items Margin	8.2%	10.3%		7.5%		7.9%	9.5%	
Exceptional item	0.6	6.7		-0.2		0.4	6.7	
Profit before tax	13.4	22.7	-40.9%	10.9	22.7%	24.3	34.7	-29.9%
Profit before tax Margin	8.6%	14.7%		7.3%		8.0%	11.8%	
Tax	3.4	5.4		2.8		6.3	8.6	
Profit after tax	10.0	17.2	-42.2%	8.1	23.0%	18.0	26.1	-30.8%
Profit after tax Margin	6.4%	11.1%		5.4%		5.9%	8.9%	
EPS	2.76	4.78		2.25		5.01	7.24	

Standalone Balance Sheet



Rs. in Crs.

Particulars	Sep-23	Mar-23
ASSETS		
Non-current assets		
Property, Plant and Equipment	259.4	256.4
Investments	55.8	55.8
Others	16.6	22.1
Total Non-current assets	331.7	334.3
Current Assets		
Inventories	108.6	124.4
Trade Receivables	70.3	65.2
Cash and Bank Balance	69.1	46.4
Others	26.5	6.7
Total current assets	274.6	274.5
TOTAL ASSETS	606.3	608.8

Particulars	Sep-23	Mar-23
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	7.2	7.2
Other Equity	405.1	394.2
Total Equity	412.3	401.4
Liabilities		
Non current liabilities		
Borrowings – (Long Term)	25.8	36.6
Others	26.9	28.0
Total Non current liabilities	52.8	64.7
Current liabilities		
Borrowings – (Short Term)	92.5	87.1
Trade payables	26.5	28.6
Others	22.3	26.9
Total Current Liabilities	141.3	142.7
TOTAL EQUITY AND LIABILITIES	606.3	608.8



HISTORICAL FINANCIALS

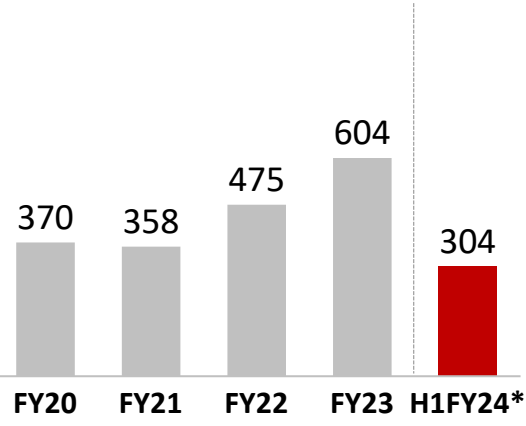
FINANCIAL HIGHLIGHTS



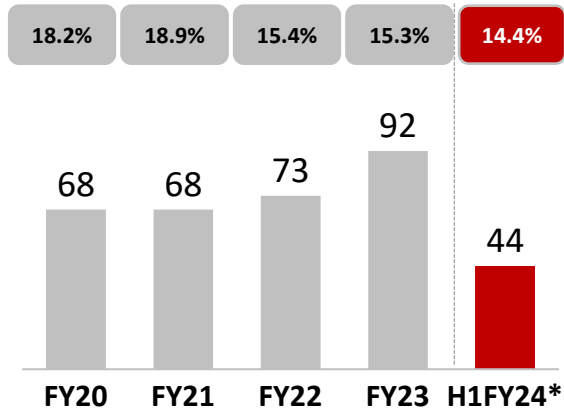
Rs. in Crs.

STANDALONE

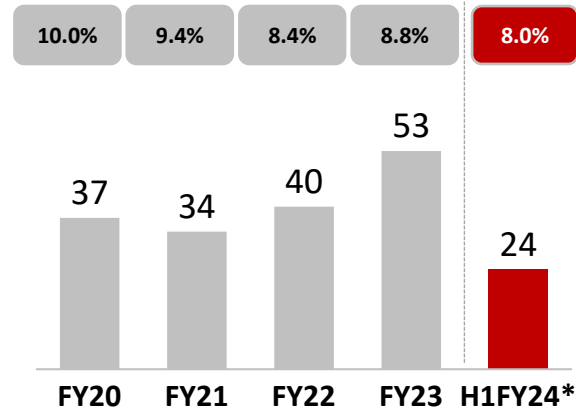
Total Income



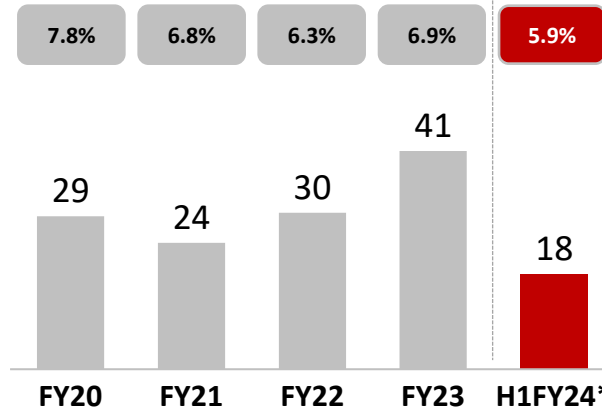
EBITDA



PBT before exceptional items

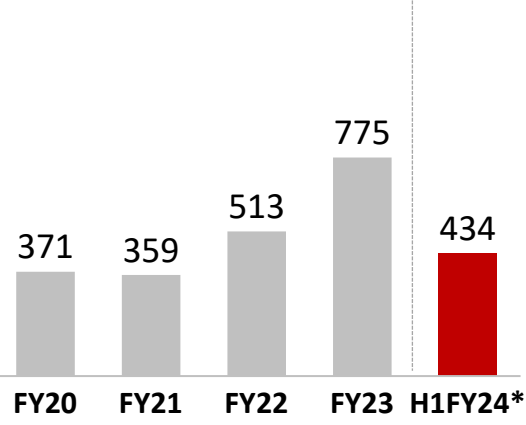


PAT

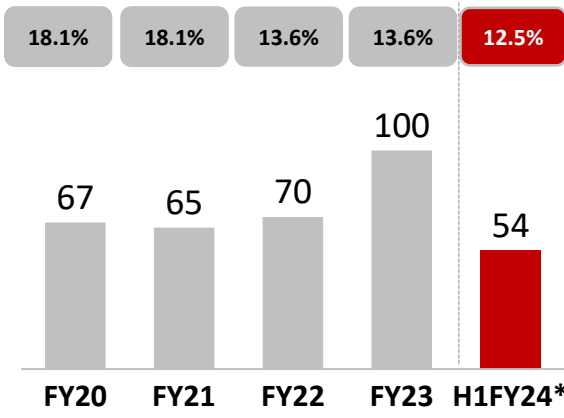


CONSOLIDATED

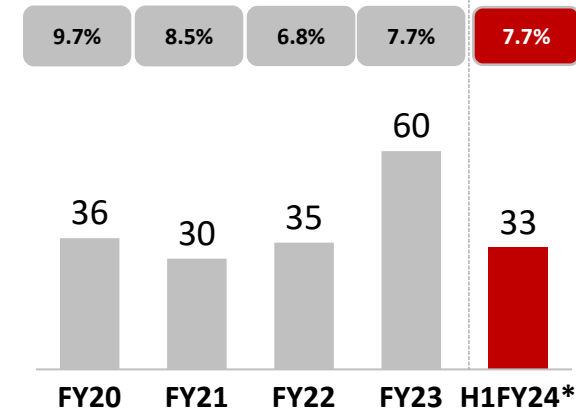
Total Income



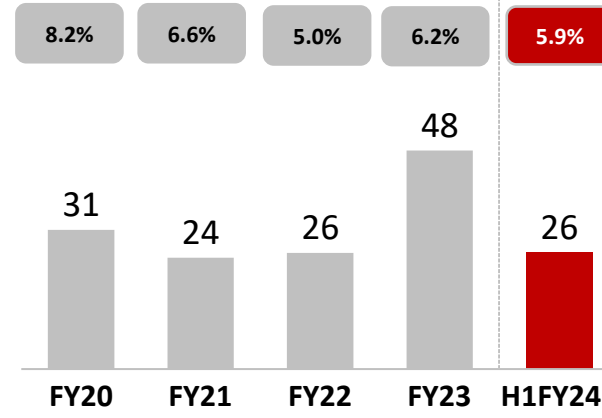
EBITDA



PBT before exceptional items



PAT



*H1FY24 pertains to 6 months of FY24, i.e., April to September 2023

KEY RATIOS



Debt / Equity (x)

Current Ratio (x)

Networth (Rs. Cr.)

Fixed Asset Turnover (x)

Debt / Equity (x)

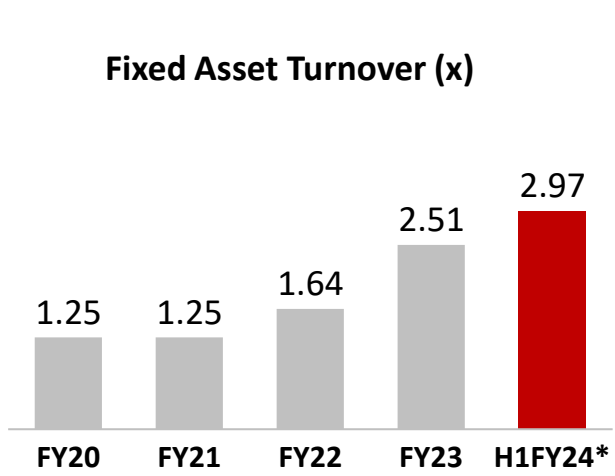
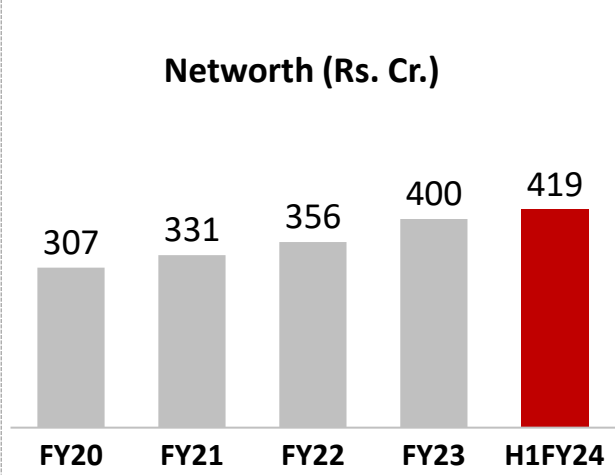
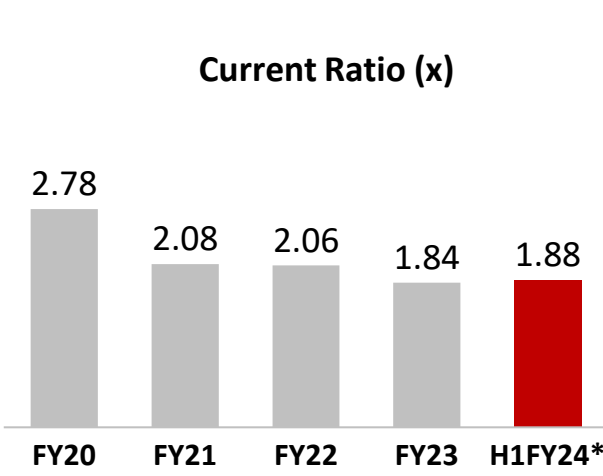
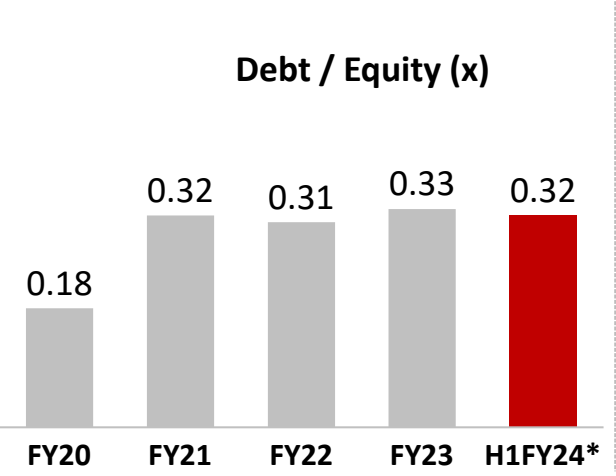
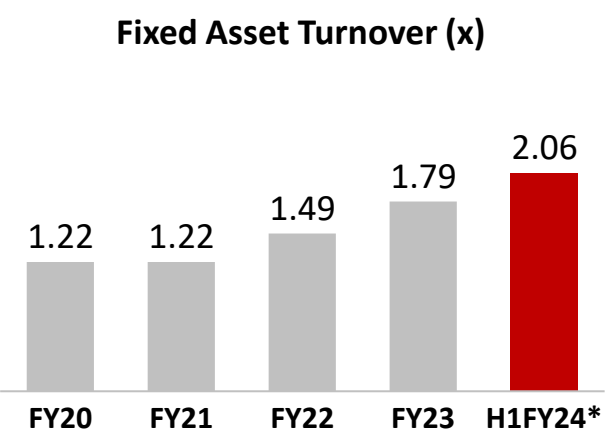
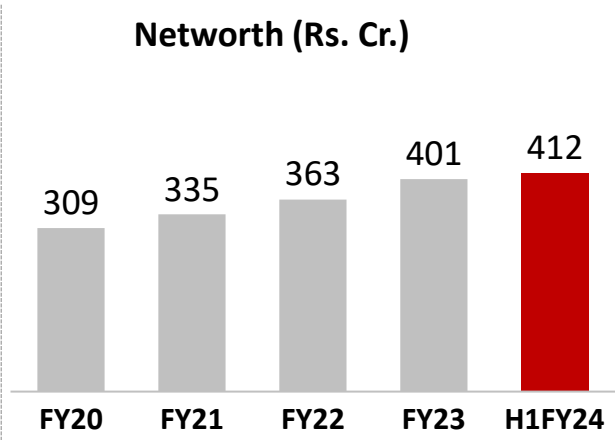
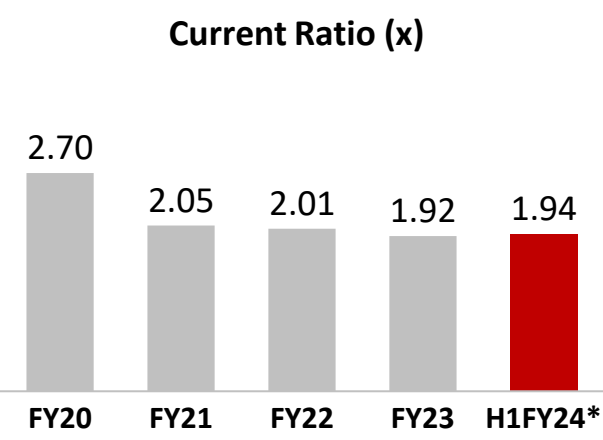
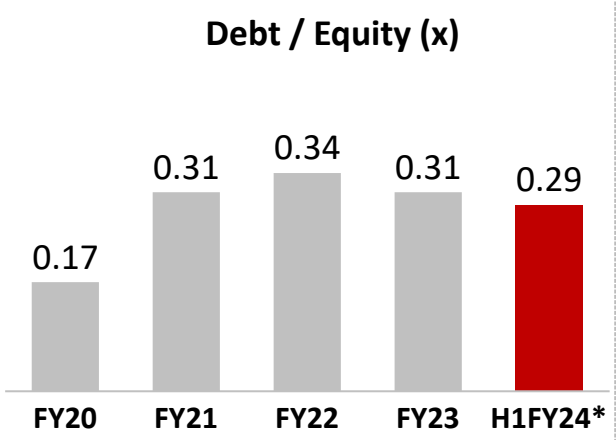
Current Ratio (x)

Networth (Rs. Cr.)

Fixed Asset Turnover (x)

STANDALONE

CONSOLIDATED



*on TTM basis



ANNEXURE

The image above represents one of STL (Standalone) facility in Bangalore

At a Glance



STL (Standalone)

- STL is a premier manufacturer of cold forged, hi-tensile fasteners and supplies to all major auto OEMs
- 4 Manufacturing Facilities: 3 in Faridabad, 1 in Kolar (Bangalore)
- State of the Art manufacturing facilities to provide reliable and high-quality products
- STL caters to major OEMs across PVs, CVs, 2Ws, Construction and Farm Equipment segments
- Long standing relationship with customers over the last four decades

SGEM

- Sterling Gtaka E-mobility Limited (SGEM): Largest MCU manufacturer in India
- Manufacturing facility in Faridabad and R&D centres in Faridabad & Bangalore
- More than 50 personnel in Engineering
- 16 business awards, 40 live customer programmes
- Strong presence in 2W, 3W and LCV segments
- Installed capacity of 3,75,000 MCUs per annum, being expanded to 6,00,000 MCUs per annum
- SGEM was EBITDA positive in its first full year of operation

STL Group*

Total Income
Rs. 434 Cr

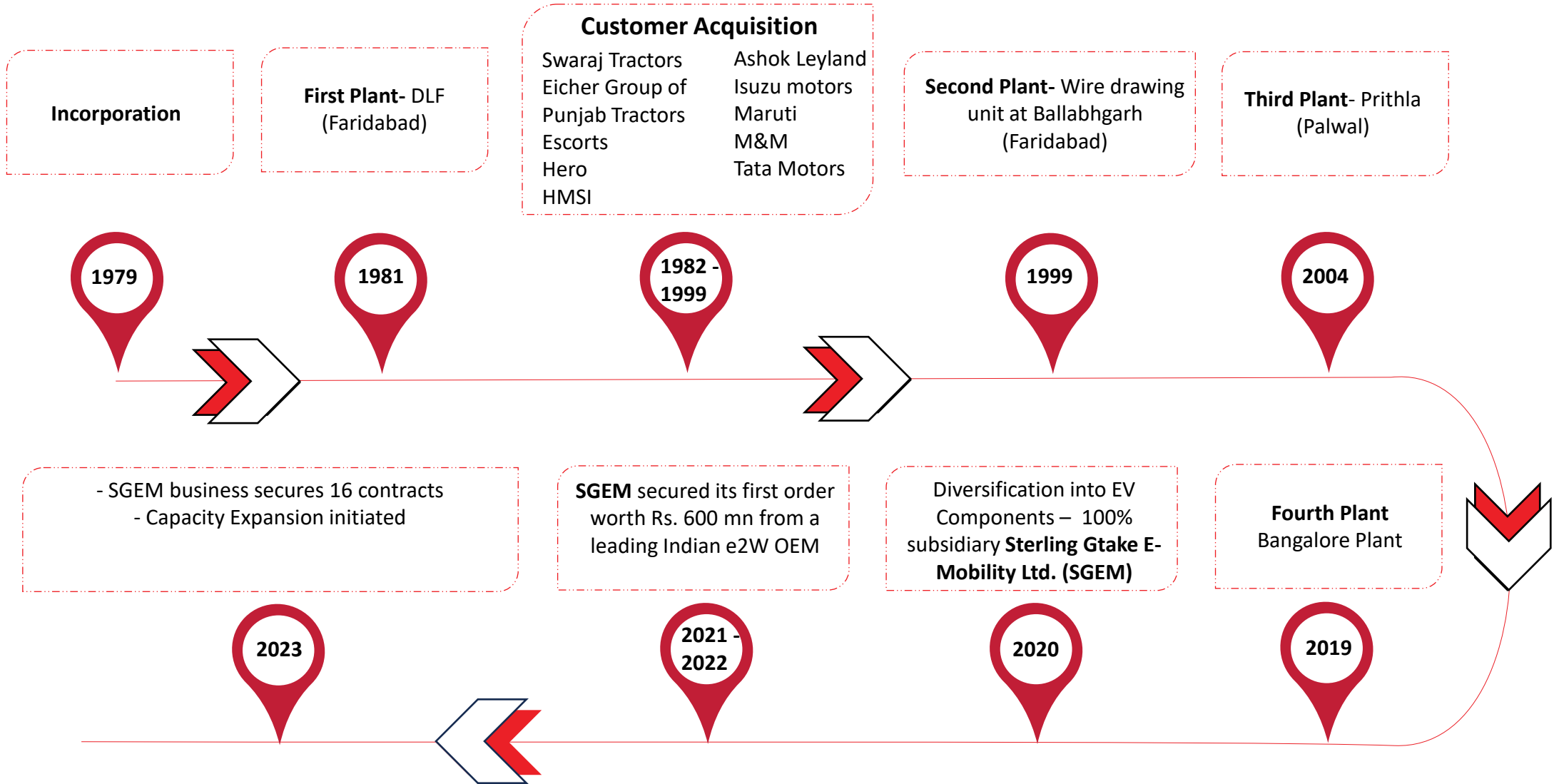
EBITDA
Rs. 54 Cr

PBT before exceptional items
Rs. 33 Cr

PAT
Rs. 26 Cr

**Figures are as of H1FY24*

HISTORY & MILESTONES



PRODUCT PORTFOLIO



STL (Standalone)

Standard Fasteners



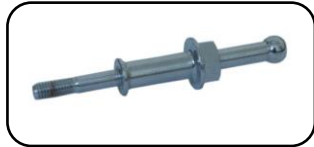
Special Fasteners



Chasis Fasteners



Engine Fasteners



Nuts and Bolts



STANDARDS



SGEM

2W & 3W Segment



PV & LCV Segment



M & HCV Segment



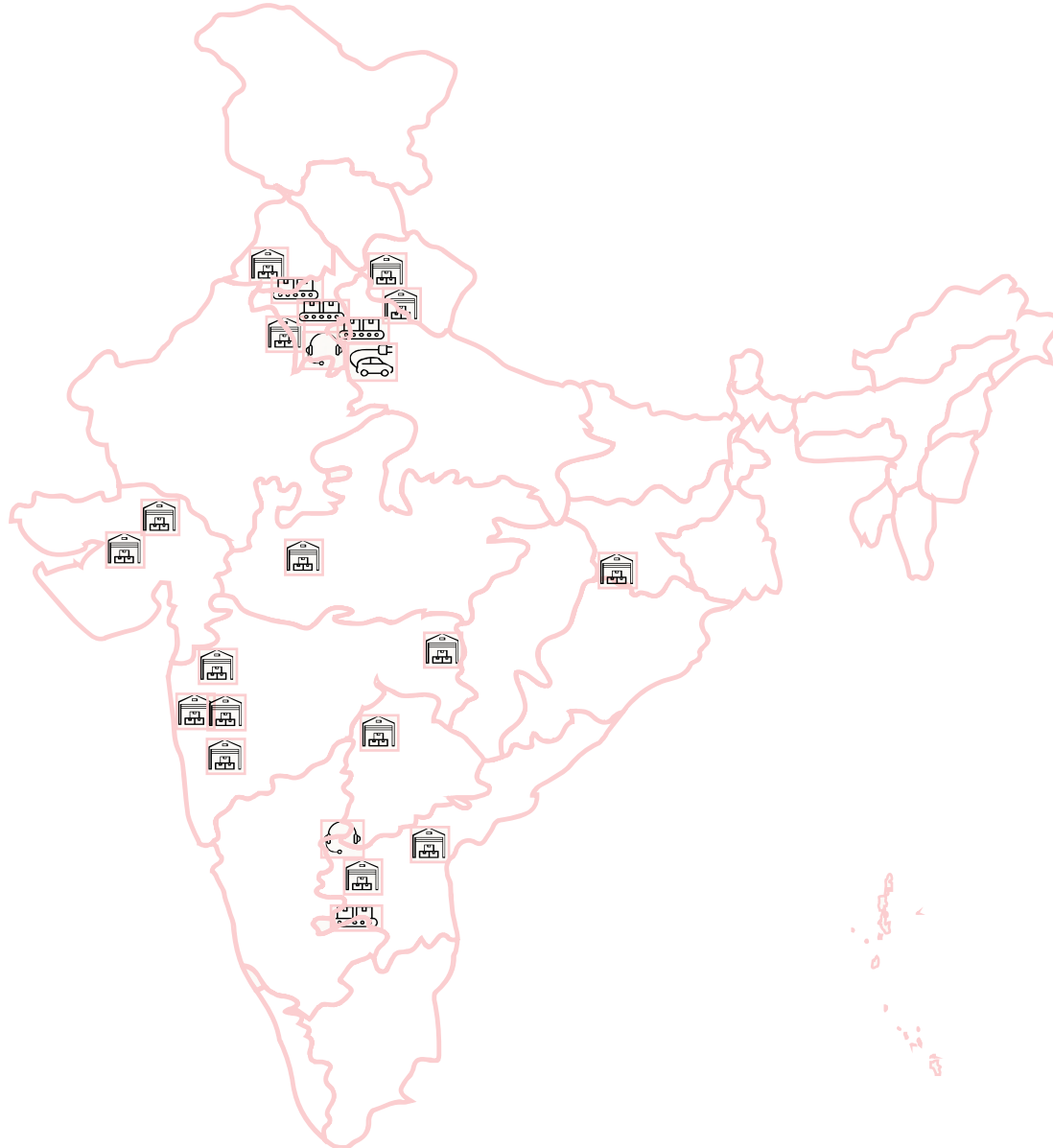
KEY CLIENTELE - STL (Standalone)



Passenger Vehicles		Two Wheelers		
Commercial Vehicles				
Exports				Construction
Farm Equipment			TIER-1	

Aftermarket: Strong Pan-India presence with 100+ Distributors

PAN INDIA PRESENCE



STL (Standalone)



- 4** Manufacturing Plants:
- Faridabad
 - Ballabgarh
 - Palwal
 - Bangalore



21 Warehouses at **14** Locations

SGEM



- 1** Manufacturing Plant:
- Faridabad



- 2** Tech Centres
- Faridabad
 - Bangalore

OUR STRENGTHS



Leading player in the automotive fastener segment

- We are second largest manufacturer of automotive fastener segment
- Long-standing relationships with major Auto OEM's enables high share of business



Credibility

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

Largest MCU manufacturer in the country

- SGEM is a pioneer in developing MCU's for the high-speed scooter, 3W and LCV segments
- Engineering and supply chain ecosystem to support volumes



Experienced Manpower

- Our teams showcase our intrinsic growth potential
- An experienced management coupled with a young and dynamic workforce will enable our company to excel in newer business areas

Partnerships

The group continues to explore partnerships to build technical expertise and leverage growth opportunities which will lead to higher share of wallet in the auto component space



Sustainable growth and profitability

Our Company is focused on building a healthy mix of premium priced value-added products with healthy margins at the 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



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



Ms. Malini Sud, Director

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



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








Mr. Akhill Aggarwal, Director

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

PREVIOUS ANNUAL RESULTS



Financial Year	PDF Link
FY23	 PDF
FY22	 PDF
FY21	 PDF
FY20	 PDF
FY19	 PDF



For further information, please contact

STL Group :



Sterling Tools Limited



CIN: L29222DL1979PLC009668

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

www.stlfasteners.com

Investor Relations Advisors :

SGA Strategic Growth Advisors

CIN: U74140MH2010PTC204285

Mr. Karan Thakker

Mr. Aakash Mehta

karan.thakker@sgapl.net / aakash.s.m@sgapl.net

+91 81699 62562 / +91 98706 79263

www.sgapl.net