

STERLING TOOLS LIMITED

CIN : L29222DL1979PLC009668

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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

Dated: 19th November 2024

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Listing Regulations")-Press Release on reaffirmation of Sterling Tools Limited's rating by ICRA Limited with revision in Outlook from Stable to Positive

Dear Sir / Madam,

Please find attached a Media/Press release Press Release on reaffirmation of Sterling Tools Limited's rating by ICRA Limited with revision in Outlook from Stable to Positive pursuant to the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The copy of Press Release is attached herewith.

You are requested to take note of the same.

Sincerely
For **STERLING TOOLS LIMITED**



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

Encl.: As above.



ICRA reaffirms Sterling Tools Ltd.'s Long-Term Rating with revision in Outlook from Stable to Positive

Strong Credit Profile and Growth in EV Components cushions the change

India, November 19, 2024: Sterling Tools Limited (STL) (BSE: 530759) (NSE: STERTOOLS), one of the leading automotive fastener manufacturers in India, has been awarded the long-term rating of [ICRA]AA- (Positive). The outlook has been revised from Stable to Positive by ICRA Limited, one of the leading Credit Rating Agency in India. This upgrade is driven by STL's strong credit profile and robust growth in the electric vehicle (EV) components segment, which has led to increased diversification of STL's earnings.

STL has managed to uphold its market position over the years and Sterling Gtake E-mobility Limited (SGEM), wholly owned subsidiary, has gained a significant early-mover advantage in the EV sector, particularly in supply chain management and technical expertise, positioning Sterling Tools Limited well for the anticipated growth in EV penetration.

Despite stiff competition from both organized and numerous unorganized players in the fastener segment, STL has maintained its market standing over the years. STL reported a healthy EBITDA Margin of 14.7% in FY2024. STL is likely to maintain a healthy financial risk profile and comfortable debt metrics, supported by robust earnings and improved accruals.

Alongside this, SGEM has recorded 40% of the market share in the high-speed scooter segment and achieved an overall share of 30% in the electric two-wheeler (e-2W) segment in FY 2024. Supported by a robust order book and increasing demand for EVs, SGEM has expanded its production capacity from 4 lakh MCUs to more than 6 lakh MCUs per annum. The Government's focus on promoting EVs is also supporting to SGEM's revenue prospects.

Through consistent investments in innovations and developments in fasteners and EV product sectors, the company has successfully increased its share of business (SoB) with leading automobile OEMs across the country. The revenue visibility over the medium term is expected to be driven by consistent demand for EVs, the addition of new customers, and healthy sales volumes and realizations.

About Sterling Tools Limited

Incorporated in 1979, Sterling Tools Limited (STL) manufactures high tensile cold forged automotive fasteners, solutions catering to the passenger cars, two wheelers, commercial vehicles, agri-equipment and construction equipment segments. STL, through its subsidiary, has also successfully ventured into sunrise sectors such as Electric Vehicle (EV) components to ensure robust value creation for its stakeholders. The client portfolio comprises leading incumbent and start-up OEMs.

About Sterling Gtake E-mobility

Sterling Tools Limited established an E Mobility Division in 2020 with the objective of supporting Auto OEMs with leading-edge technology products in the Auto Electronics and Electric Vehicle domains. The establishment of Sterling Gtake E-Mobility Ltd. (SGEM) is a testament to this commitment to Indian Auto customers. SGEM is wholly owned subsidiary that has been at the forefront of the EV value chain by offering localised Motor Control Units (MCUs) for Battery & Hybrid Electric Vehicles and with a Vision to become India's Leading Manufacturer & Supplier of EV Power-train Solutions. The portfolio includes MCUs for 2 Wheelers, 3 Wheelers, LCVs, PCVs, and HCVs.



For Further Information, please contact



Sterling Tools Limited

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Forward-looking and Cautionary Statements

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in our earnings, revenue and profits. Our ability to generate and manage growth, ability to maintain cost advantage, salary cost increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns, client concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas and integrate potential acquisitions, the success of the companies in which we make strategic investments, withdrawal of Financial Year governmental incentives, political instability, war, pandemic, legal restrictions on raising capital or acquiring companies outside India. We do not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.