

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: 13th August 2024**Sub: Investor Presentation for Q1 FY 25**

Dear Sir/ Madam,

This is in continuation of our letter dated 07th August 2024 with respect to intimation of schedule of Analyst / Institutional Investor Meeting- Earnings Conference Call on 14th August 2024 at 09:30 a.m.

In this regard, 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 Q1 FY25 of the Company.

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

August 2024

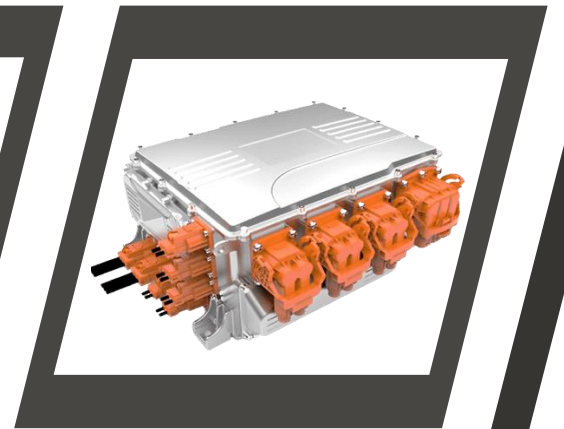
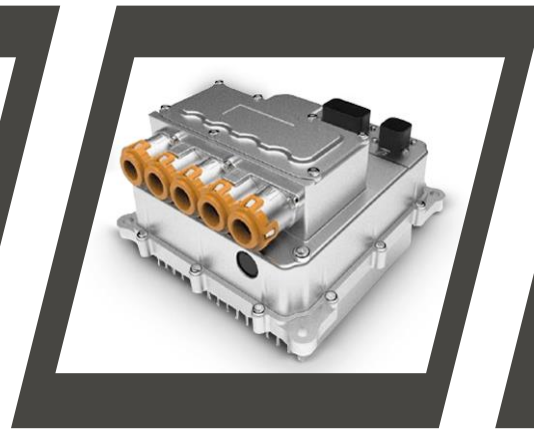


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SAFE HARBOR STATEMENT



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



Q1 FY25 Business Highlights

Commenting on the results and performance for Q1 FY25, Mr. Atul Aggarwal, Managing Director of Sterling Tools Ltd. said:

“Total Income from our standalone business grew by 9.6% to Rs 162.9 crore on a YoY basis. The EBITDA has increased by 14.5% YoY and margins improved to 14.8% in Q1 FY25 from 14.1% in Q1 FY24. PAT surged by 41.0%, on a YoY basis, to Rs 11.4 crore. The company is focused on achieving higher revenue growth and it is well positioned to capture incremental market share going forward.

SGEM continues to gain traction with total income witnessing a growth of 62.7% on a YoY basis. The revenue share of SGEM in the overall business has risen from 33% in Q1 FY24 to 43% in Q1 FY25. We are working to add to our EV product portfolio and continue to focus on customer diversification too.

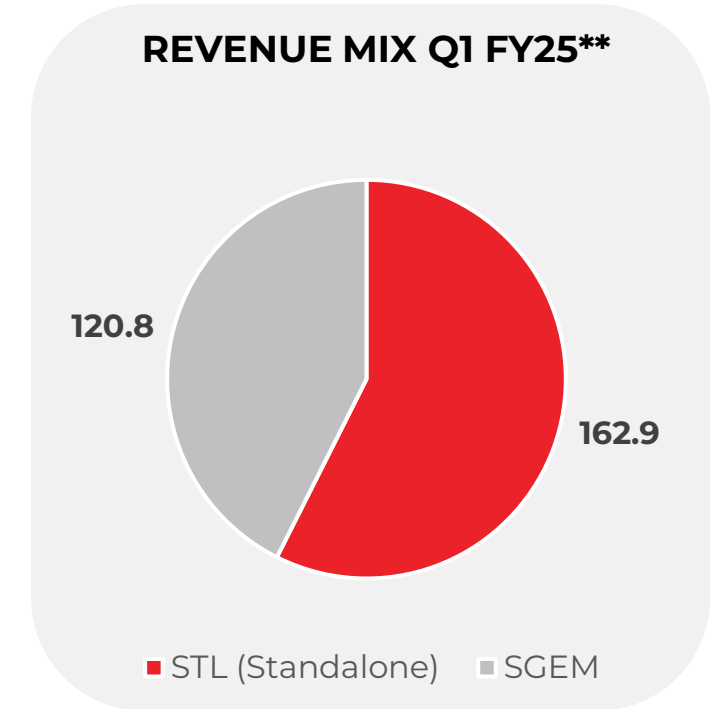
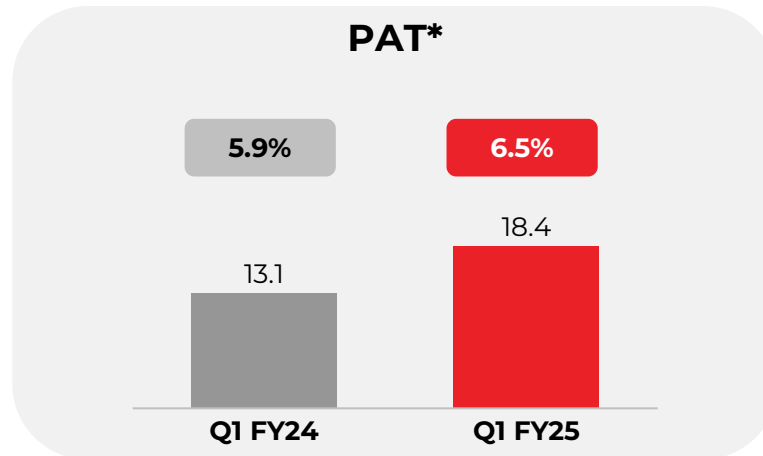
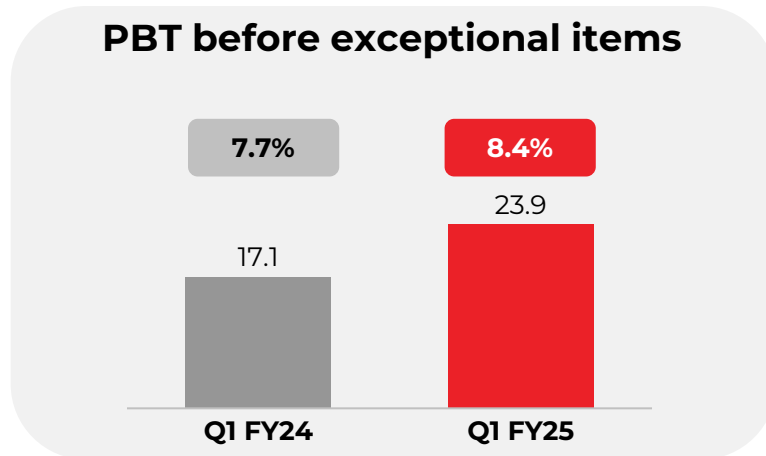
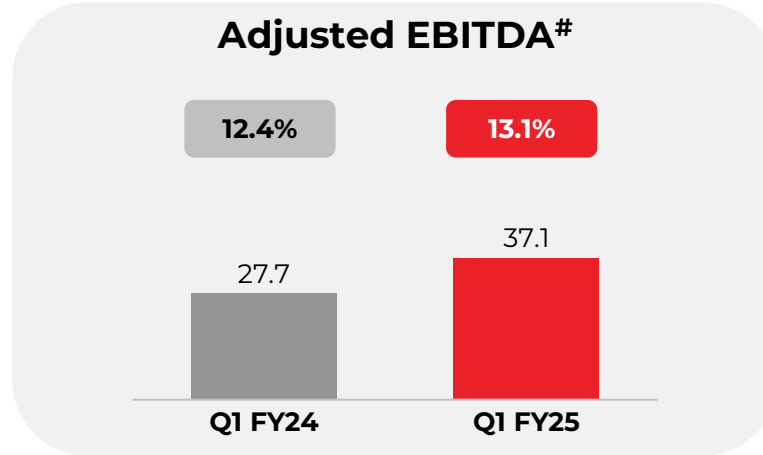
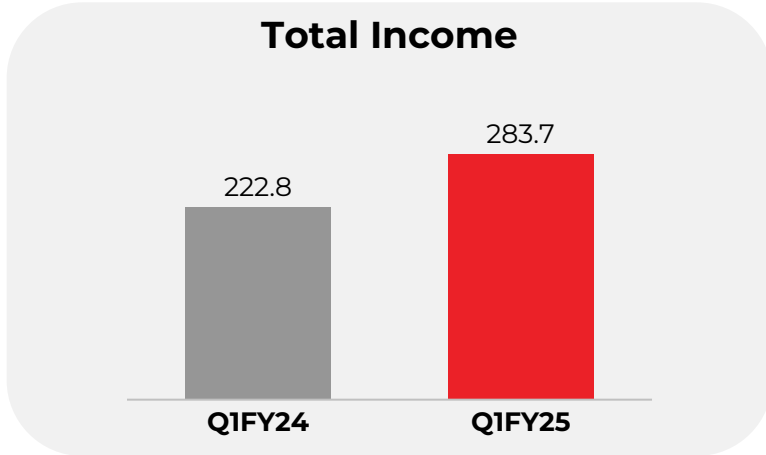
On the industry front, the demand for automobiles was a bit muted during Q1 FY25. The EV 2-wheeler industry continues to gain momentum and the cumulative sales stood at 1,82,050 units in Q1 FY25. Hybrid PVs are getting more attention from OEs which aligns well with our EV focus.”



Consolidated Financial Highlights



Rs. in Crs.



**Includes other income

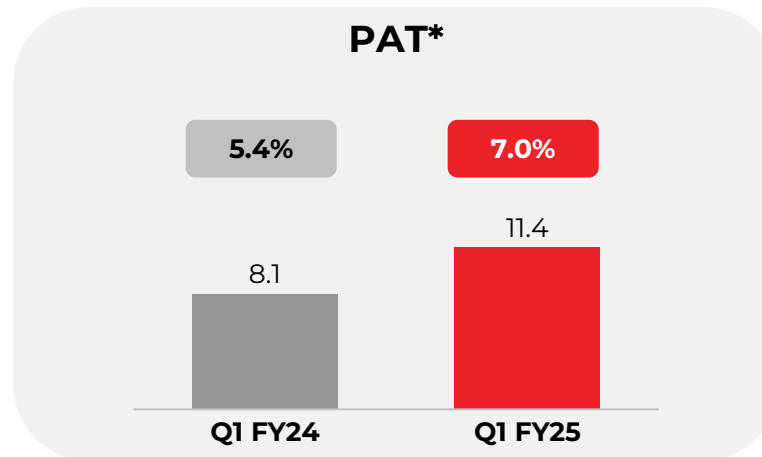
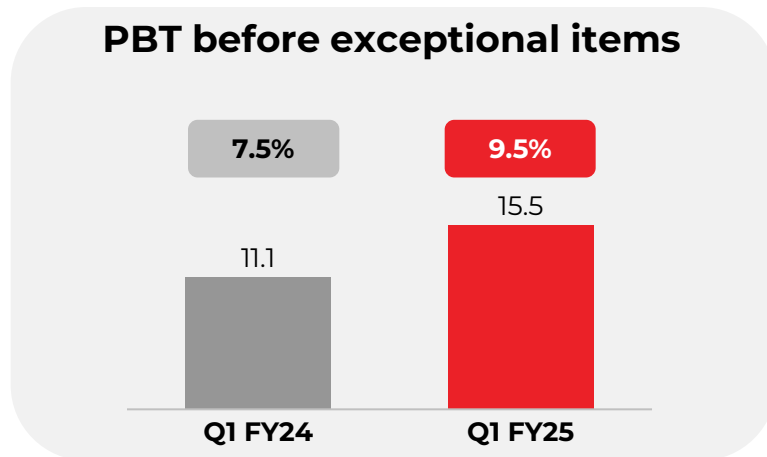
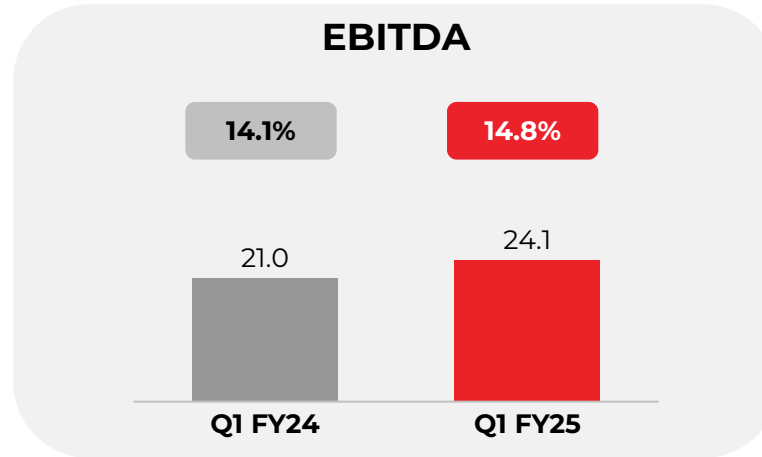
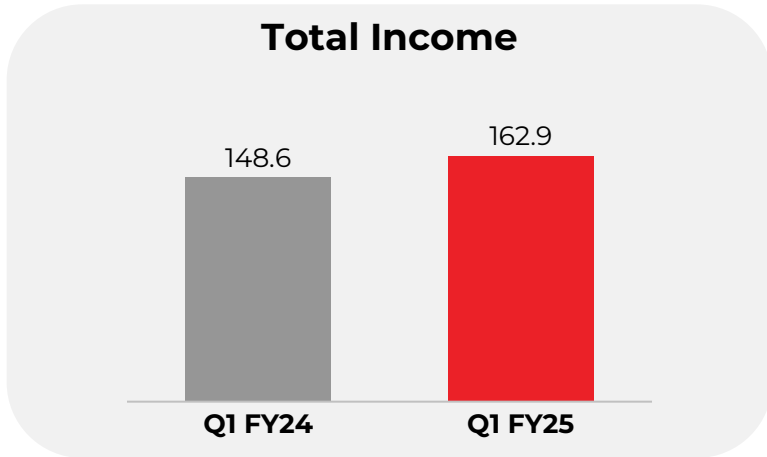
#Adjusted EBITDA excludes ESOP expenses

*Note – PAT of Q1 FY24 includes exceptional items of Rs. -0.2 crores

Standalone Financial Highlights



Rs. in Crs.



Comment

- Revenue growth in Q1FY25 versus Q1FY24 is primarily driven by good demand in two-wheeler business and stable demand in passenger vehicle segment

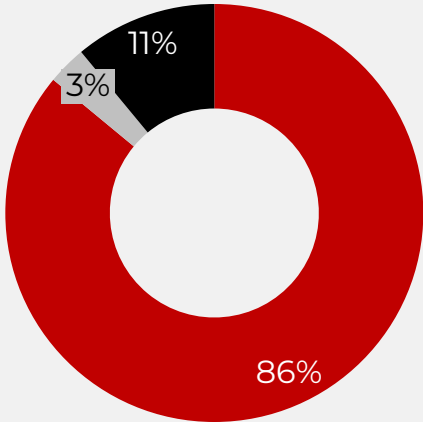
*Note – PAT of Q1 FY24 includes exceptional items of Rs. -0.2 crores

Well Diversified Revenue Mix



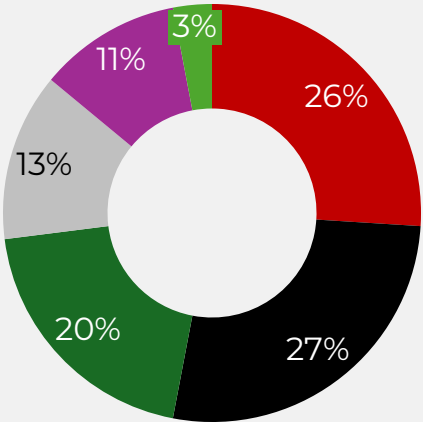
STL (Standalone)

**Channel-wise mix
Q1 FY25**



- OEM
- Exports
- Replacement

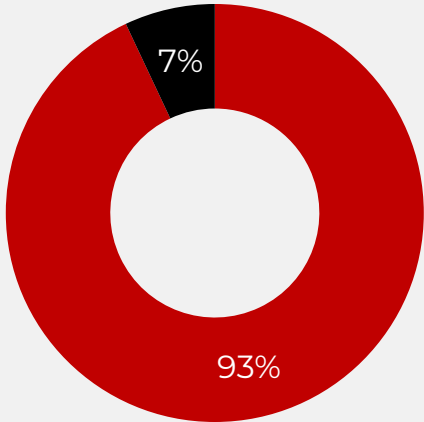
**End-user segment-wise mix
Q1 FY25**



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

SGEM

**End-user segment-wise mix
Q1 FY25**



- 2W
- 3W & Others

Note - 100% EV products supplied to OEMs



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E-MOBILITY

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FINANCIAL HIGHLIGHTS



Consolidated Profit & Loss Statement



Rs. in Crs.

Particulars (Rs Crs)	Q1FY25	Q1FY24	YoY (%)	Q4FY24	QoQ (%)	FY24
Total Income	283.7	222.8	27.3%	271.0	4.7%	938.5
Cost of Goods Sold	149.7	116.8		145.2		492.4
Gross Profit	134.0	106.0	26.4%	125.8	6.5%	446.1
Gross Profit Margin	47.2%	47.6%		46.4%		47.5%
Total Expenses	96.9	78.3		92.0		329.8
Adjusted EBITDA	37.1	27.7	33.9%	33.8	9.2%	116.3
Adjusted EBITDA Margin	13.1%	12.4%		12.5%		12.4%
ESOP Expenses	3.0	-		2.0		2.0
EBITDA	34.1	27.7	23.3%	31.8	7.2%	114.3
EBITDA Margin	12.0%	12.4%		11.7%		12.2%
Depreciation and amortisation expenses	7.7	8.1		8.3		33.1
Finance costs	2.5	2.5		2.2		9.5
PBT before exceptional items	23.9	17.1	39.6%	21.3	12.3%	71.8
PBT before exceptional margin	8.4%	7.7%		7.9%		7.7%
Exceptional item	-	-0.2		-		0.4
Profit before tax	23.9	16.9	41.2%	21.3	12.3%	72.2
Profit before tax Margin	8.4%	7.6%		7.9%		7.7%
Tax	5.5	3.9		5.1		16.8
Profit after tax	18.4	13.1	40.9%	16.3	13.3%	55.4
Profit after tax Margin	6.5%	5.9%		6.0%		5.9%
EPS	5.11	3.63		4.51		15.37

#Adjusted EBITDA excludes ESOP expenses

*Note – PBT & PAT of Q1 FY24 includes exceptional items of Rs. -0.2 crores

Standalone Profit & Loss Statement



Rs. in Crs.

Particulars	Q1 FY25	Q1 FY24	YoY (%)	Q4 FY24	QoQ (%)	FY24
Total Income	162.9	148.6	9.6%	167.0	-2.5%	613.7
Cost of Goods Sold	63.0	60.7		65.5		248.7
Gross Profit	100.0	87.9	13.7%	101.6	-1.6%	365.0
Gross Profit Margin	61.4%	59.2%		60.8%		59.5%
Total Expenses	75.9	66.9		76.0		274.4
EBITDA	24.1	21.0	14.5%	25.6	-5.8%	90.6
EBITDA Margin	14.8%	14.1%		15.3%		14.8%
Depreciation and amortisation expenses	6.9	7.7		7.8		31.2
Finance costs	1.7	2.2		1.6		7.6
Profit before exceptional items	15.5	11.1	39.1%	16.1	-4.0%	51.7
Profit before exceptional items Margin	9.5%	7.5%		9.6%		8.4%
Exceptional item	-	-0.2		-		0.4
Profit before tax	15.5	10.9	41.7%	16.1	-4.0%	52.1
Profit before tax Margin	9.5%	7.3%		9.6%		8.5%
Tax	4.1	2.8		4.1		13.3
Profit after tax	11.4	8.1	41.0%	12.0	-4.9%	38.8
Profit after tax Margin	7.0%	5.4%		7.2%		6.3%
EPS	3.17	2.25		3.33		10.78

*Note – PBT & PAT of Q1 FY24 includes exceptional items of Rs. -0.2 crores



HISTORICAL FINANCIALS

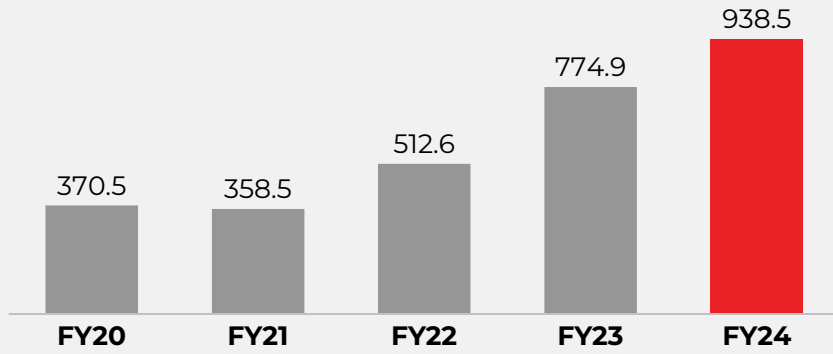


Consolidated Financial Highlights

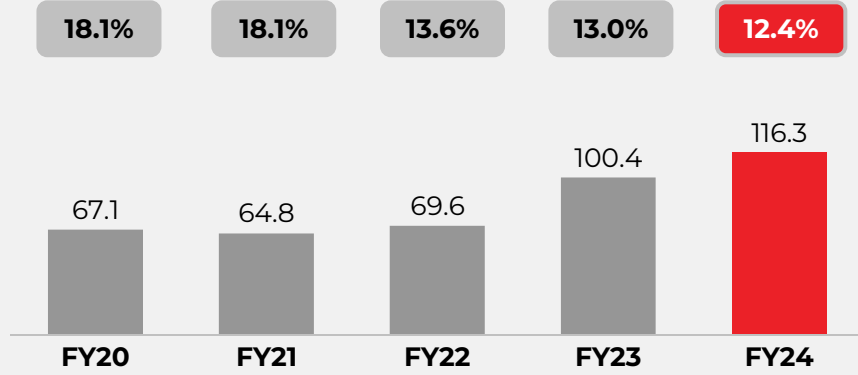


Rs. in Crs.

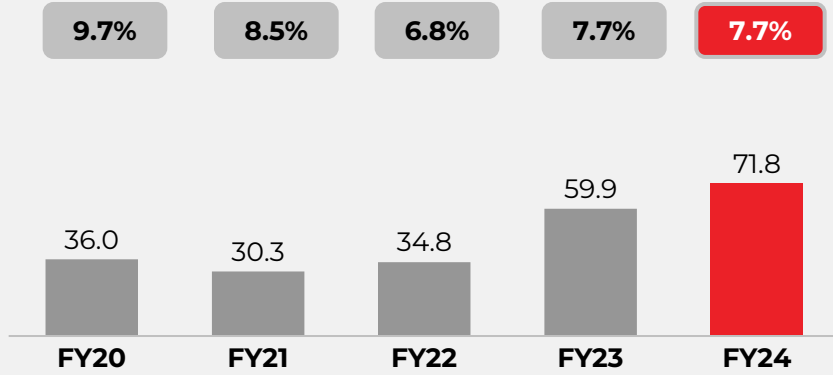
Total Income



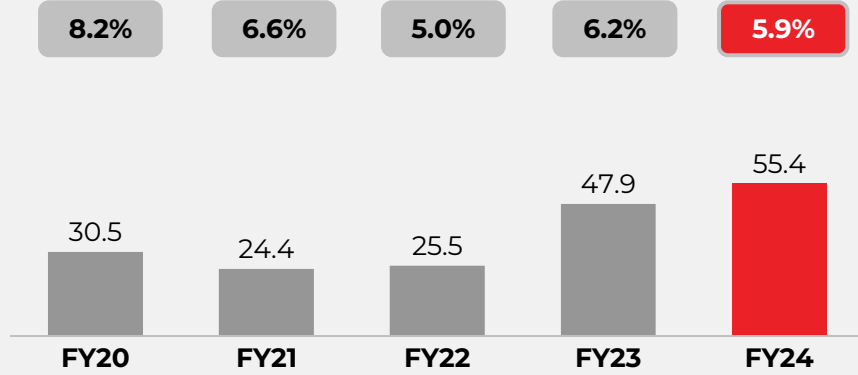
Adjusted EBITDA#



PBT before exceptional items



PAT*



#Adjusted EBITDA excludes ESOP expenses

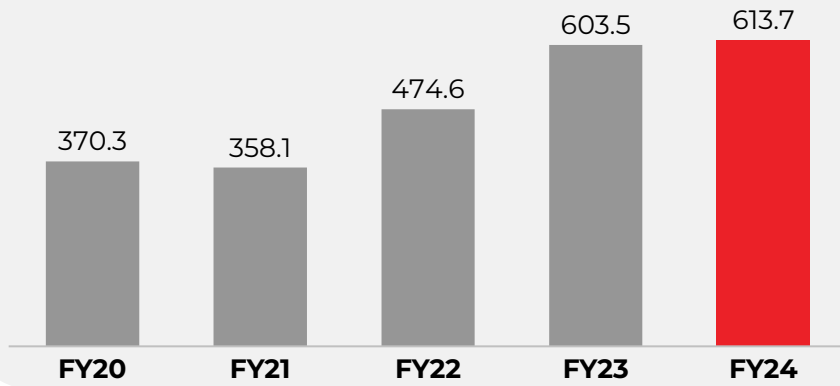
*Note – PAT of FY23 includes exceptional items of Rs. 3.4 crores and Rs. 0.4 crores in FY24

Standalone Financial Highlights

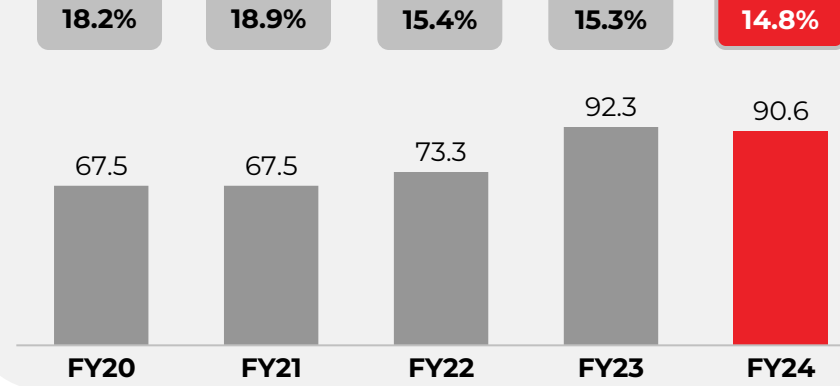


Rs. in Crs.

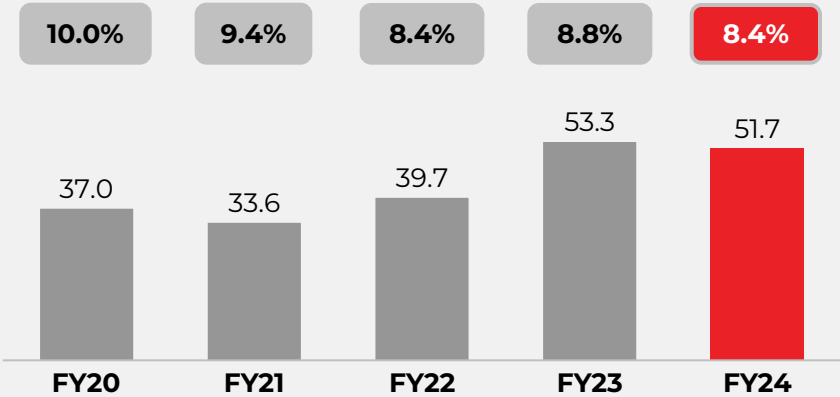
Total Income



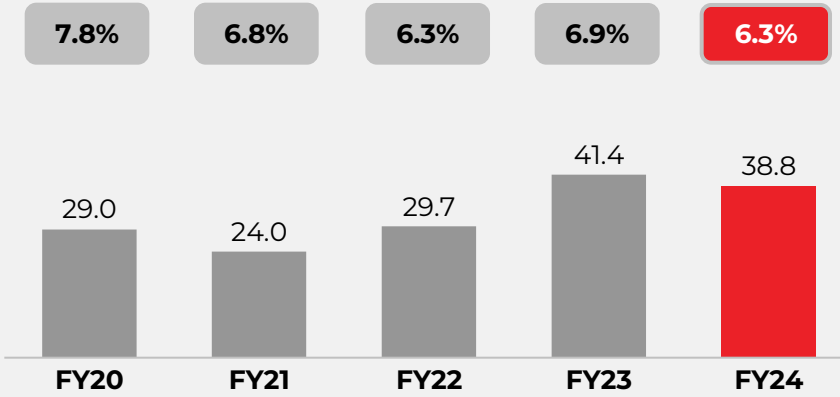
EBITDA



PBT before exceptional items

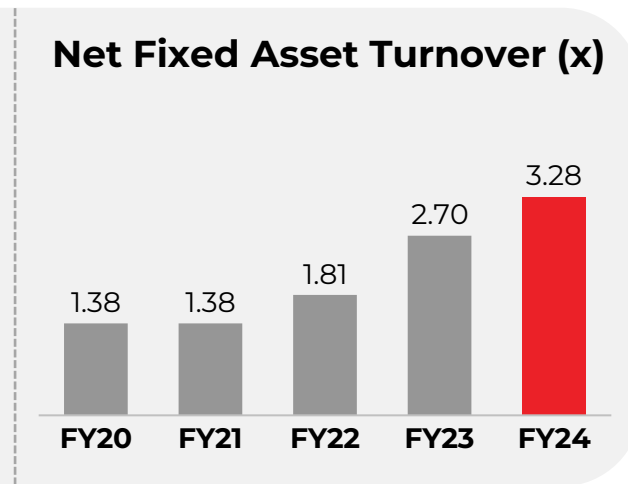
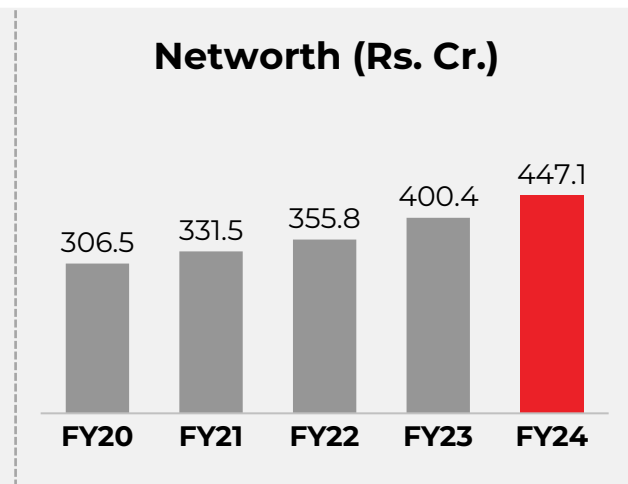
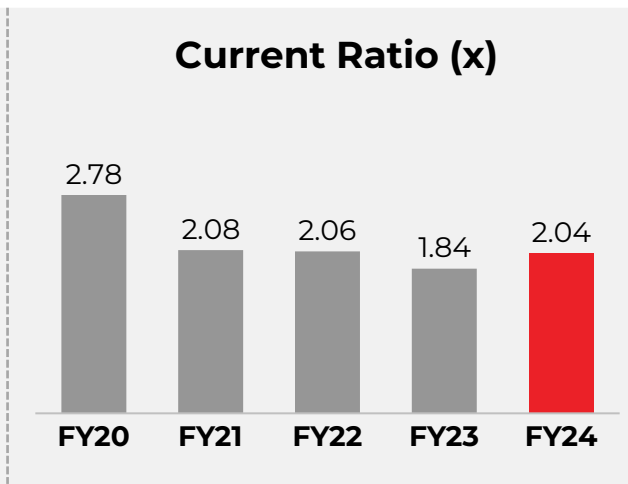
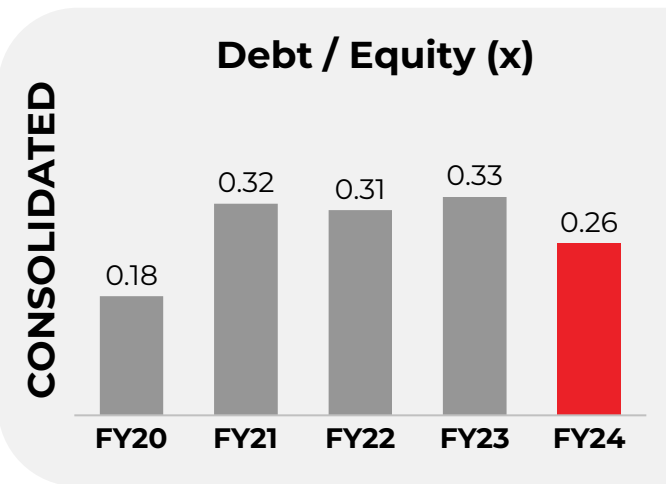
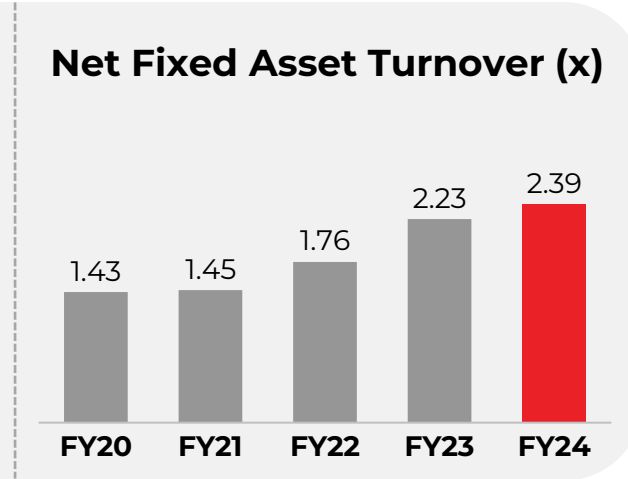
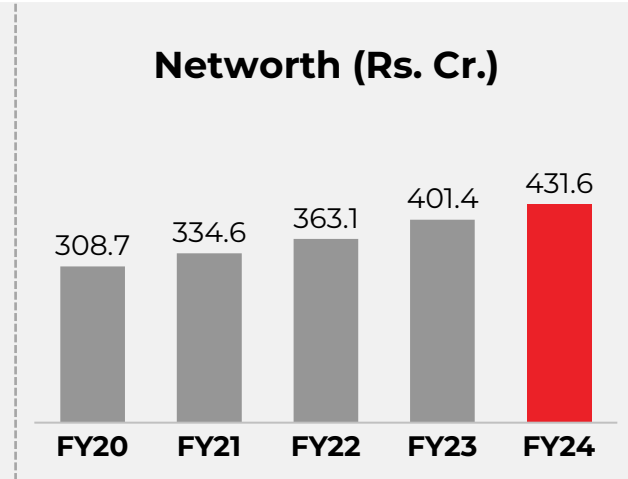
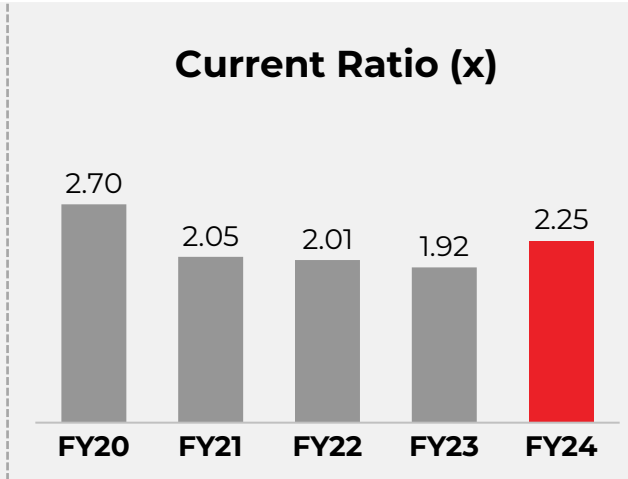
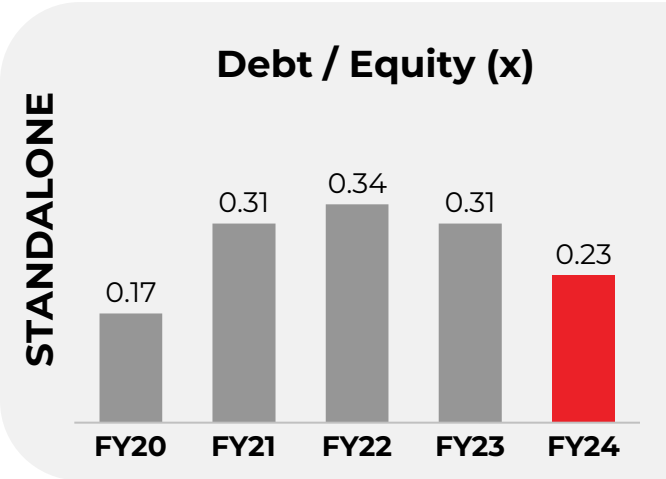


PAT*



*Note – PAT of FY23 includes exceptional items of Rs. 3.4 crores and Rs. 0.4 crores in FY24

Key Ratios





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. 939 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 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 turnover increased by 86% YoY in FY24



2023 - 2024

- SGEM secured business from **20 customers**
- Capacity Expansion to **6,00,000 units/pa** initiated
- Signed MoU with Yongin Electronics Co Ltd. to **manufacture magnetic components for automotive and electronic industries**



2020 - 2022

- **Diversification into EV Components** – through 100% subsidiary **Sterling Gtake E-Mobility Ltd. (SGEM)**
- **SGEM's** first full year of operations with positive Net Profit



1999 - 2019

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



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




1979-1981


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


Product Portfolio





STL
(STANDALONE)



AXLE BOLTS


ENGINE BOLTS



SPECIAL FASTENERS



STANDARD BOLTS



WHEEL BOLTS



SEALANT PARTS


STANDARDS


INDIAN STANDARDS


AMERICAN STANDARDS



GERMAN STANDARDS


JAPANESE STANDARDS

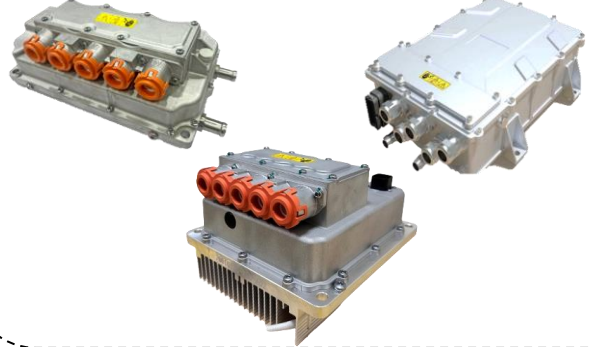

BRITISH STANDARDS

SGEM

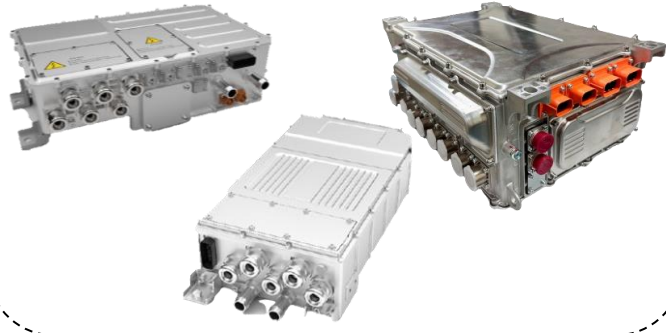
2W & 3W SEGMENT



LCV SEGMENT



M & HCV SEGMENT

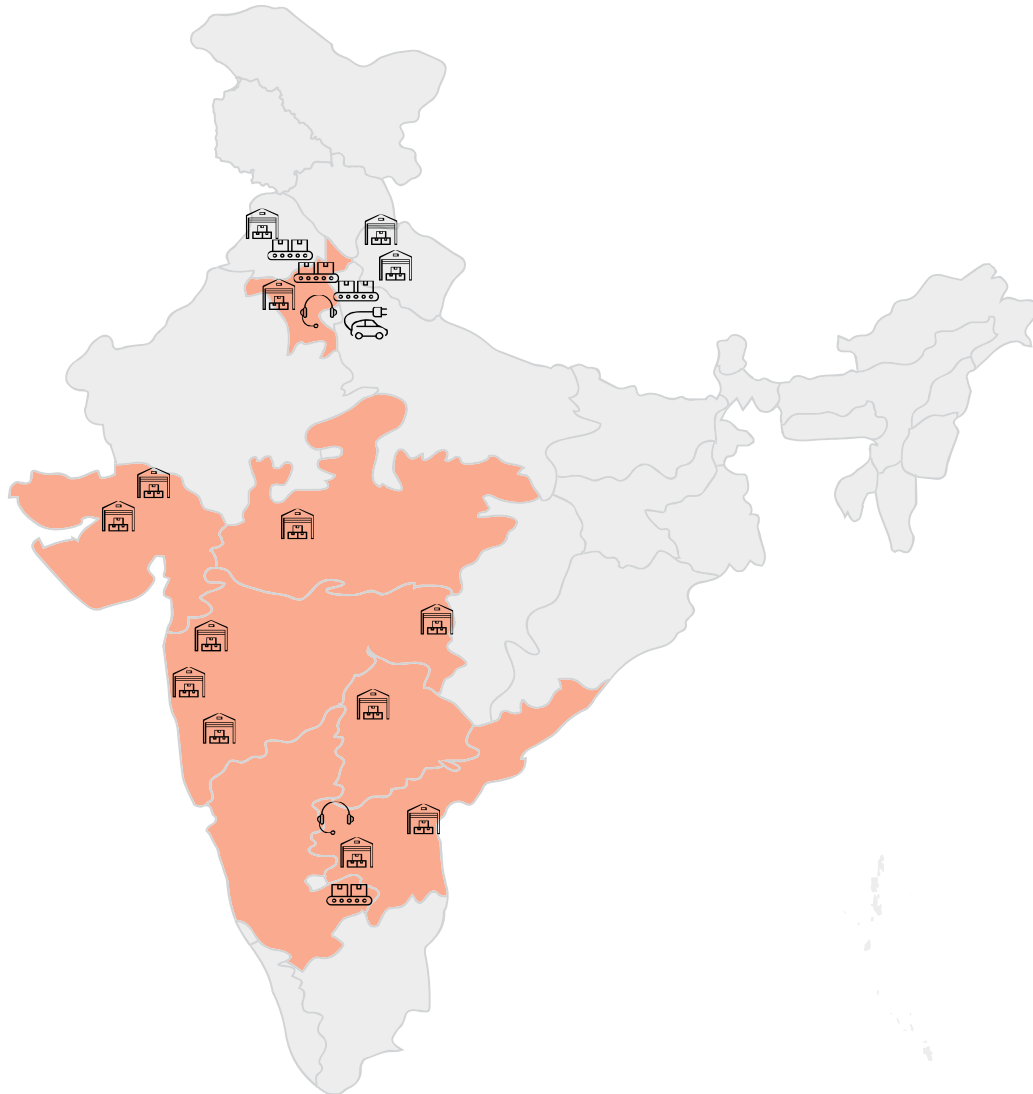


Key Clientele – STL (Standalone)



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

Aftermarket: Strong Pan-India presence with 100+ Distributors



STL (STANDALONE)



4 Manufacturing Plants

- Faridabad
- Ballabhgarh
- Palwal
- Bangalore



18 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



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 in ICE, EV and future green energies



First Mover Advantage in EV Component

SGEM is a pioneer in developing MCU's in the 2W, 3W eSCV, eLCV:
High speed scooter segment (>~60-100 kmph) ~50% share
~Overall, 26% 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 & Whole Time Director

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



Mr. Atul Aggarwal, Managing Director

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



Mr. Akhill Aggarwal, Whole Time Director

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



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. Jaideep Wadhwa, Director

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



Mr. Shailendra Swarup, Director

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



Ms. Rashmi Urdhwareshe, Director

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



Mr. Vijay Madhav Paradkar, Director

35+ years of experience, Expertise in Institutional & Corporate Finance, Funds Mgmt, Investment Banking & M&A. Ex- VP & Head of M&A at Corporate Mahindra & Mahindra Limited



Mr. Sanjiv Garg, Director






40+ years of experience, Expertise in Process Mgmt, Software Development, Greenfield Initiatives, and technological innovations. Founder of JindalX, Co-Founder of Wisdom Analytics Inc.



Mr. Anish Agarwal, Director

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



Financial Year	PDF Link
FY24	 A red icon of a document with a white border and a red outline, containing a white PDF symbol and the text 'PDF' below it.
FY23	 A red icon of a document with a white border and a red outline, containing a white PDF symbol and the text 'PDF' below it.
FY22	 A red icon of a document with a white border and a red outline, containing a white PDF symbol and the text 'PDF' below it.
FY21	 A red icon of a document with a white border and a red outline, containing a white PDF symbol and the text 'PDF' below it.
FY20	 A red icon of a document with a white border and a red outline, containing a white PDF symbol and the text 'PDF' below it.



For further information, please contact

STL Group :	Investor Relations Advisors :
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