

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

Date: 8th May, 2023

Sub: Investor Presentation for Quarter (Q4)/ Financial Year ending on 31st March, 2023

Dear Sir/ Madam,

This is in continuation of our letter dated 5th May, 2023 with respect to intimation of Schedule of Analyst / Institutional Investor meeting – Conference Call on 9th May, 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 (Q4)/ Financial Year ending on 31st March, 2023 of the Company.

This is for your information and records.

Sincerely
For **Sterling Tools Limited**


Pankaj Gupta
CFO


Encl.: As above.



STERLING TOOLS LTD

INVESTOR PRESENTATION

Q4 & FY23

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Safe Harbor Statement

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Business Overview



This image belongs to Fasteners plant in Bangalore

At a Glance

STL Group

40

Years of rich legacy

0.3x

Debt to Equity ratio

Rs 775 Cr

Total Income

Fasteners Business

2nd

Largest automotive fastener
manufacturer in India

4

Manufacturing Facilities:
3 in Faridabad
1 in Kolar (Bangalore)

Rs 604 Cr

Total Income

EV Component Business

#1

MCU supplier for high-speed
scooter

3

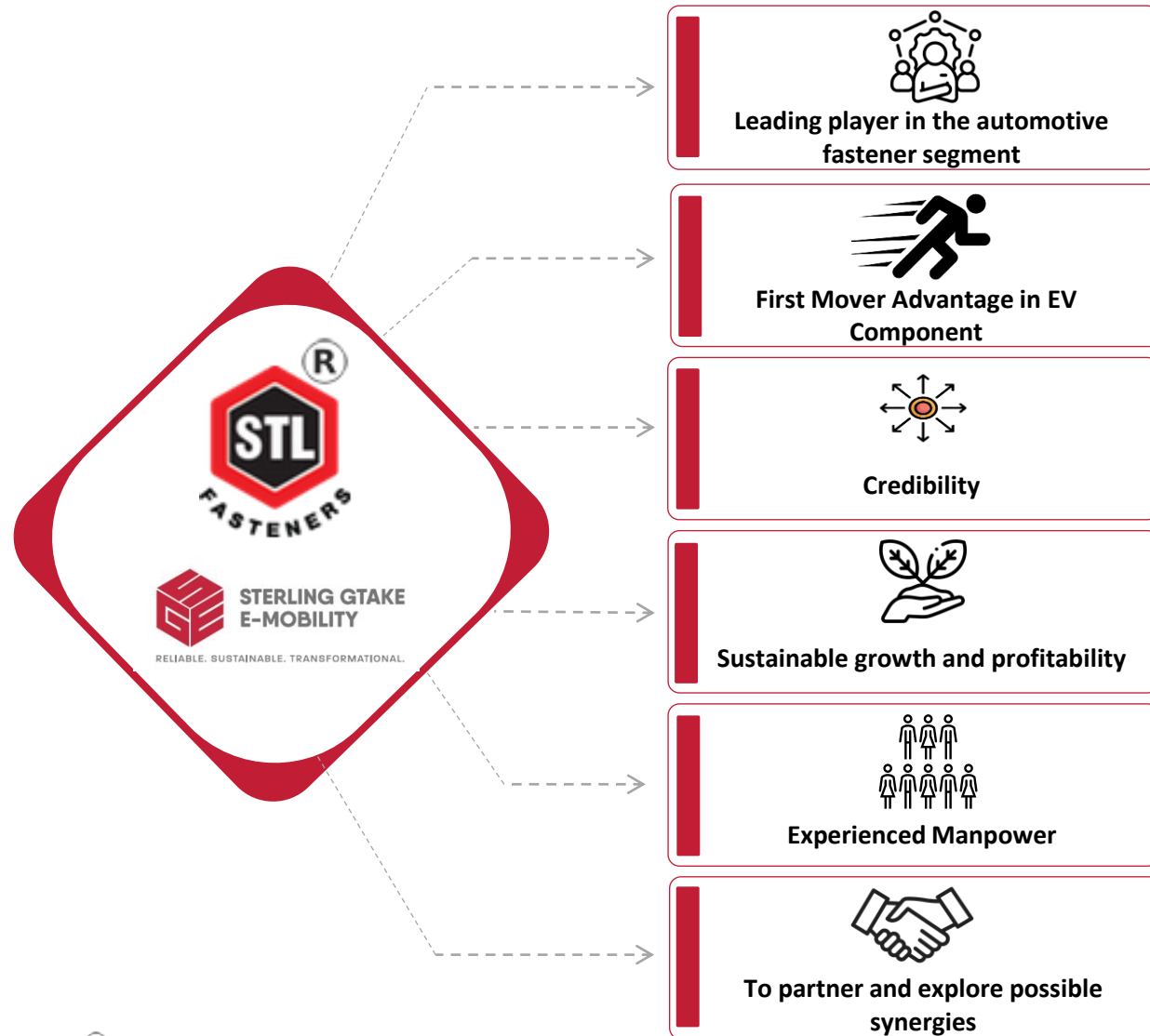
1 manufacturing plant in Faridabad

2 R&D Centre:
Faridabad
Bangalore

Rs 171 Cr

Total Income

Our Strengths



- 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

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

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

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

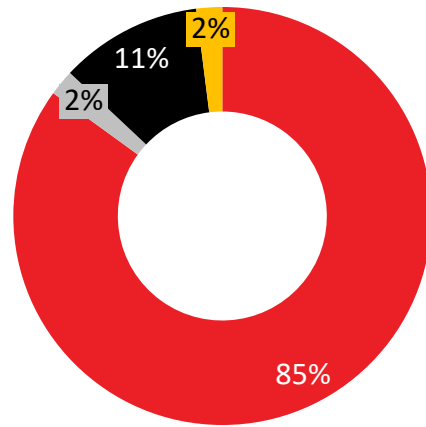
- Our teams demonstrate our intrinsic growth potential
- An experienced management coupled with a young and dynamic workforce will enable our company to excel into newer business areas

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

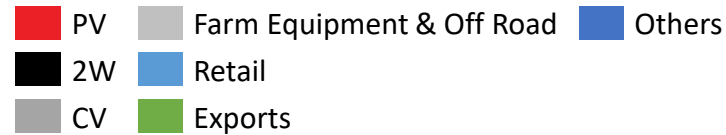
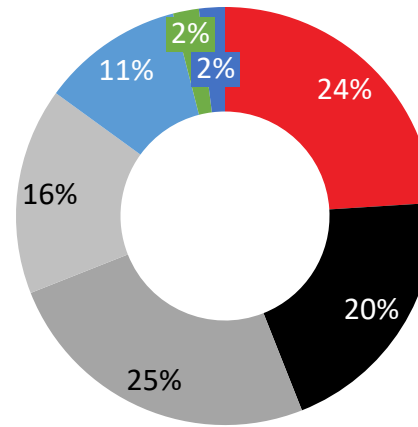
Well Diversified Revenue Mix

Fasteners Business

Channel-wise Mix FY23

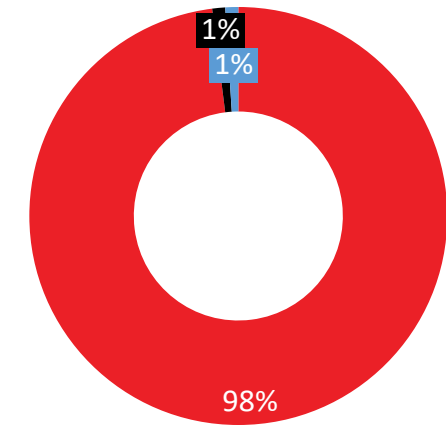


Segment-wise Mix FY23



EV Component Business

Segment-wise Mix FY23



Note - 100% EV products supplied to OEMs

Q4 & FY23 Standalone Financials

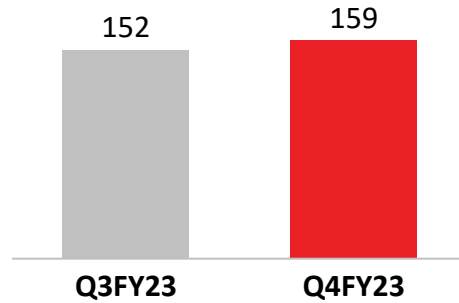


Standalone Financial Highlights

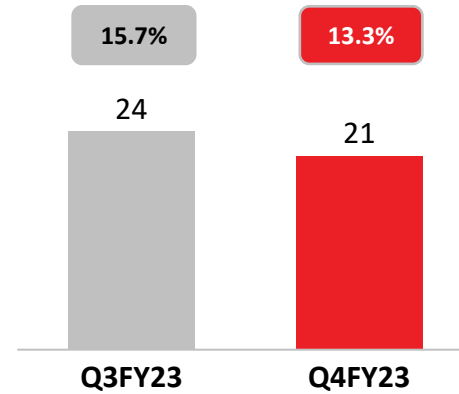
Rs. in Crs.

QoQ Performance

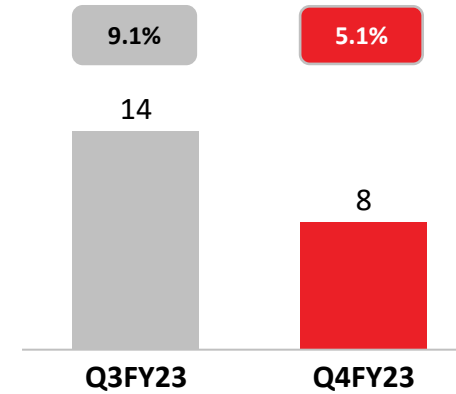
TOTAL INCOME



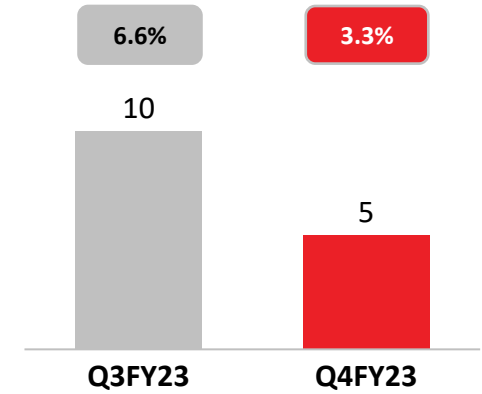
EBITDA



PBT*

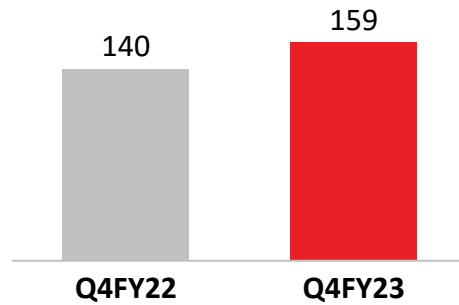


PAT*

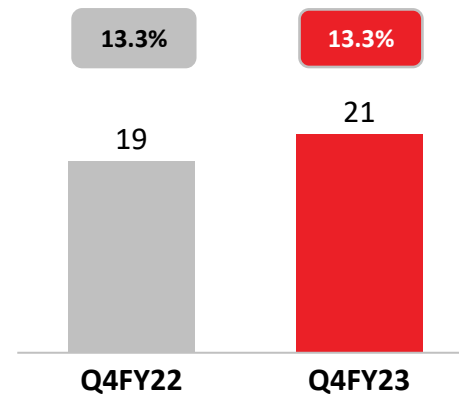


YoY Performance

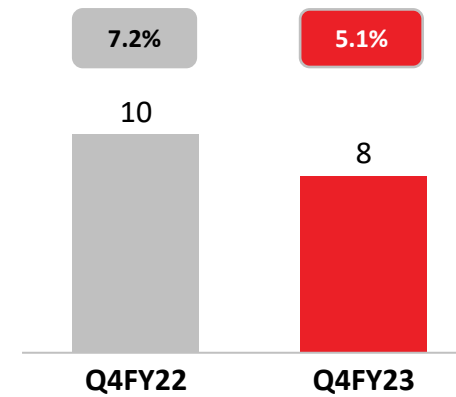
TOTAL INCOME



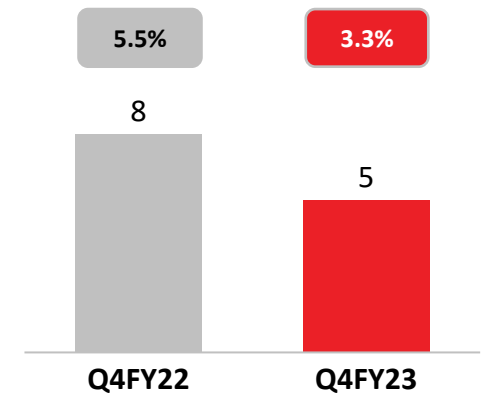
EBITDA



PBT*



PAT*



* Note – PBT and PAT of Q4FY23 includes an exceptional items of Rs 3.44 crores :

- Insurance claim of Rs 6.73 crores received pertaining to a fire incident in earlier year at one of the company's manufacturing facility
- Estimated interest liability of Rs 3.29 crores recognised by the company on foreclosure of one authorisation under Export Promotion Capital Goods scheme



Standalone Profit and Loss Statement

Rs. in Crs.

Particulars (Rs Crs)	Q4FY23	Q4FY22	YoY	Q3FY23	QoQ	FY23	FY22	YoY
Total Income	158.7	139.5	14%	151.8	5%	603.5	474.6	27%
Cost of Goods Sold	73.7	61.5		64.7		254.4	189.9	
Gross Profit	85.0	77.9	9%	87.1	-2%	349.2	284.8	23%
Gross Profit Margin	53.5%	55.9%		57.4%		57.9%	60.0%	
Total expenses	63.9	59.4		63.3		256.9	211.5	
EBITDA	21.1	18.5	14%	23.8	-11%	92.3	73.3	26%
EBITDA Margin	13.3%	13.3%		15.7%		15.3%	15.4%	
Depreciation and amortisation expenses	7.6	7.0		7.7		30.9	27.0	
Finance costs	2.0	1.6		2.2		8.1	6.6	
Profit before tax*	8.1	10.0	-18%	13.9	-41%	56.7	39.7	43%
Profit before tax Margin	5.1%	7.2%		9.1%		9.4%	8.4%	
Tax	2.9	2.4		3.8		15.3	9.9	
Profit after tax*	5.3	7.6	-31%	10.1	-48%	41.4	29.7	39%
Profit after tax Margin	3.3%	5.5%		6.6%		6.9%	6.3%	
EPS	1.46	2.11		2.80		11.50	8.25	

* Note – PBT and PAT of Q4 & FY23 includes an exceptional items of Rs 3.44 crores :

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Standalone Balance Sheet

Rs. in Crs.

Particulars	FY23	FY22
ASSETS		
Non-current assets		
Property, Plant and Equipment	256.4	265.8
Investments	55.8	36.3
Others	22.1	13.9
Total Non-current assets	334.3	315.9
Current Assets		
Inventories	124.4	102.4
Trade Receivables	65.2	57.0
Cash and Bank Balance	46.4	19.6
Others	6.7	30.6
Total current assets	274.5	246.7
TOTAL ASSETS	608.8	562.6

Particulars	FY23	FY22
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	7.2	7.2
Other Equity	394.2	355.9
Total Equity	401.4	363.1
Liabilities		
Non current liabilities		
Borrowings – (Long Term)	36.6	42.9
Others	28.0	34.0
Total Non current liabilities	64.7	76.9
Current liabilities		
Borrowings – (Short Term)	87.1	80.4
Trade payables	28.6	26.0
Others	26.9	16.2
Total Current Liabilities	142.7	122.6
TOTAL EQUITY AND LIABILITIES	608.8	562.6

Q4 & FY23 Consolidated Financials

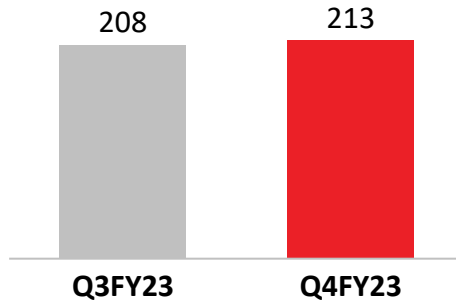


Consolidated Financial Highlights

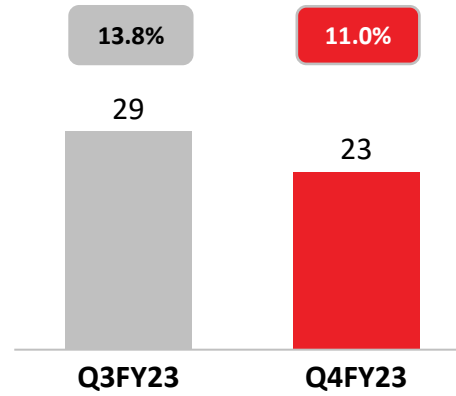
Rs. in Crs.

QoQ Performance

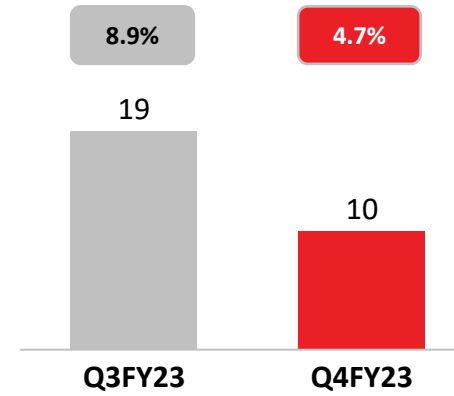
TOTAL INCOME



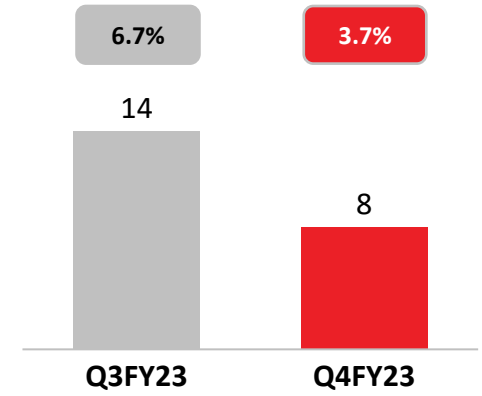
EBITDA



PBT*

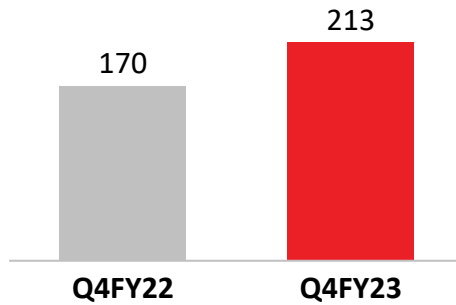


PAT*

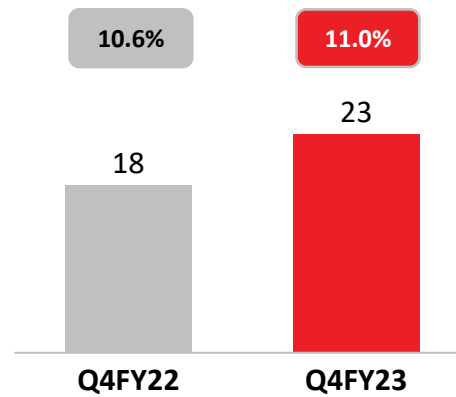


YoY Performance

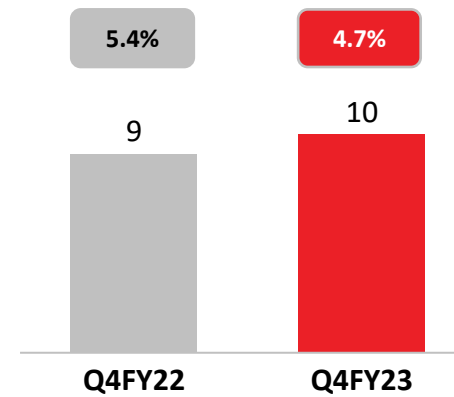
TOTAL INCOME



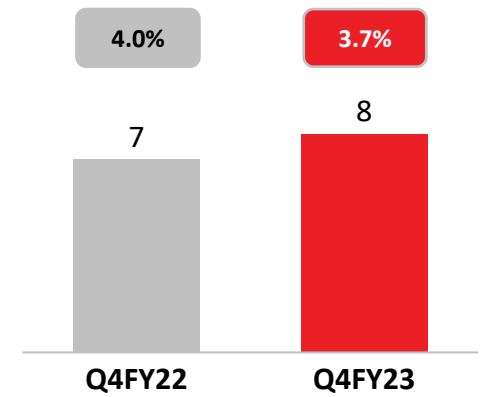
EBITDA



PBT*



PAT*



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- Estimated interest liability of Rs 3.29 crores recognised by the company on foreclosure of one authorisation under Export Promotion Capital Goods scheme



Consolidated Profit and Loss Statement

Rs. in Crs.

Particulars (Rs Crs)	Q4FY23	Q4FY22	YoY	Q3FY23	QoQ	FY23	FY22	YoY
Total Income	212.7	170.1	25%	208.5	2%	774.9	512.6	51%
Cost of Goods Sold	111.0	88.8		110.5		388.6	224.0	
Gross Profit	101.7	81.3	25%	97.9	4%	386.2	288.6	34%
Gross Profit Margin	47.8%	47.8%		47.0%		49.8%	56.3%	
Total expenses	78.3	63.4		69.2		285.8	219.0	
EBITDA	23.4	17.9	30%	28.7	-18%	100.4	69.6	44%
EBITDA Margin	11.0%	10.6%		13.8%		13.0%	13.6%	
Depreciation and amortisation expenses	7.9	7.1		7.9		31.7	27.3	
Finance costs	2.2	1.7		2.3		8.8	6.9	
Profit before tax*	10.0	9.1	10%	18.5	-46%	63.3	34.8	82%
Profit before tax Margin	4.7%	5.4%		8.9%		8.2%	6.8%	
Tax	2.2	2.2		4.6		15.4	9.2	
Profit after tax*	7.8	6.9	13%	13.9	-44%	47.9	25.5	87%
Profit after tax Margin	3.7%	4.0%		6.7%		6.2%	5.0%	
EPS	2.16	1.91		3.86		13.29	7.09	

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- Estimated interest liability of Rs 3.29 crores recognised by the company on foreclosure of one authorisation under Export Promotion Capital Goods scheme

Consolidated Balance Sheet

Rs. in Crs.

Particulars	FY23	FY22
ASSETS		
Non-current assets		
Property, Plant and Equipment	273.9	280.0
Investments	15.3	14.6
Others	24.5	16.8
Total Non-current assets	313.7	311.5
Current Assets		
Inventories	163.4	116.1
Trade Receivables	81.4	62.7
Cash and Bank Balance	54.9	24.2
Others	43.6	52.1
Total current assets	343.2	255.2
TOTAL ASSETS	656.9	566.6

Particulars	FY23	FY22
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	7.2	7.2
Other Equity	393.2	348.6
Total Equity	400.4	355.8
Liabilities		
Non current liabilities		
Borrowings – (Long Term)	36.6	42.9
Others	33.6	36.2
Total Non current liabilities	70.2	79.1
Current liabilities		
Borrowings – (Short Term)	95.9	82.8
Trade payables	58.4	31.8
Others	32.0	17.1
Total Current Liabilities	186.3	131.7
TOTAL EQUITY AND LIABILITIES	656.9	566.6

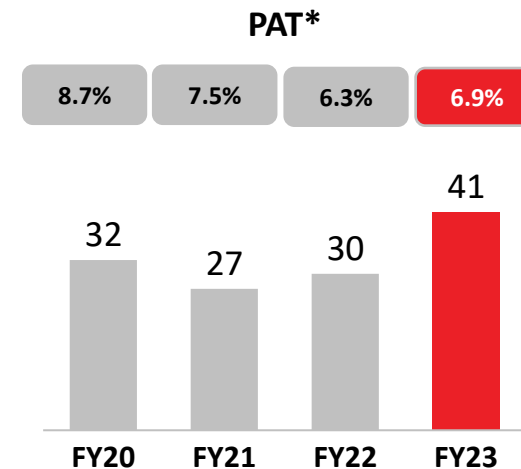
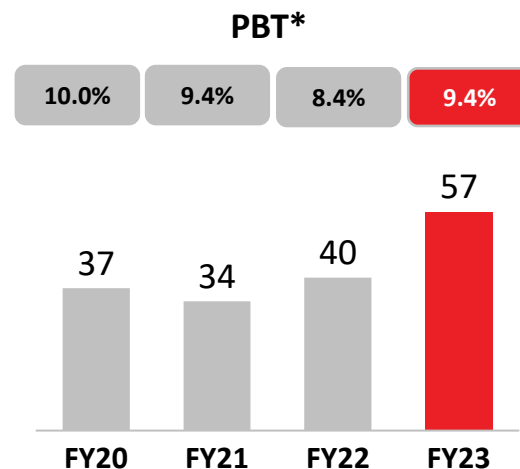
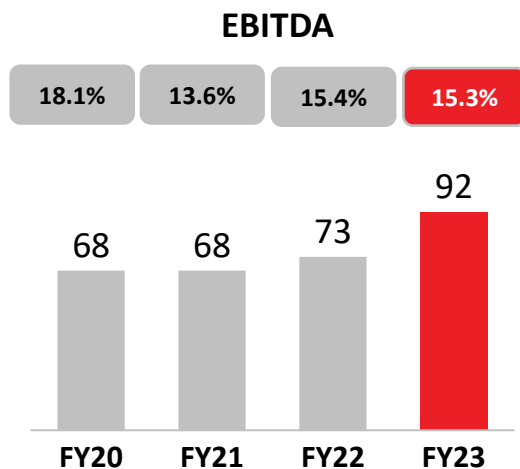
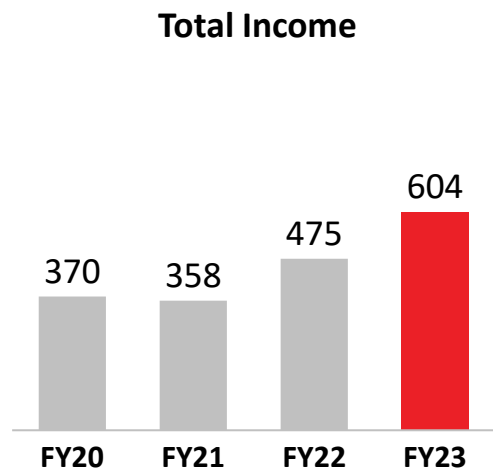
Historical Financials



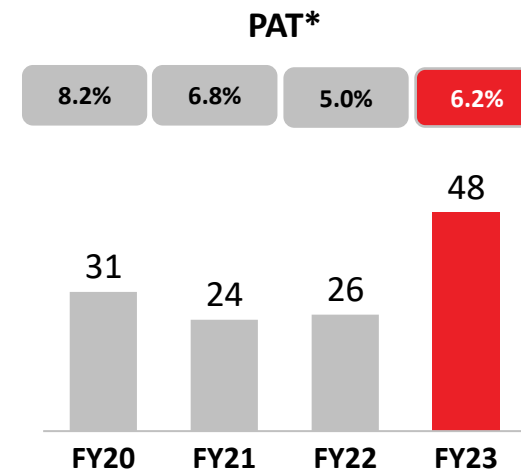
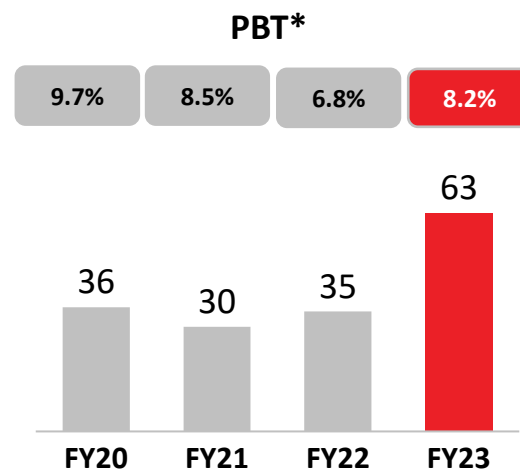
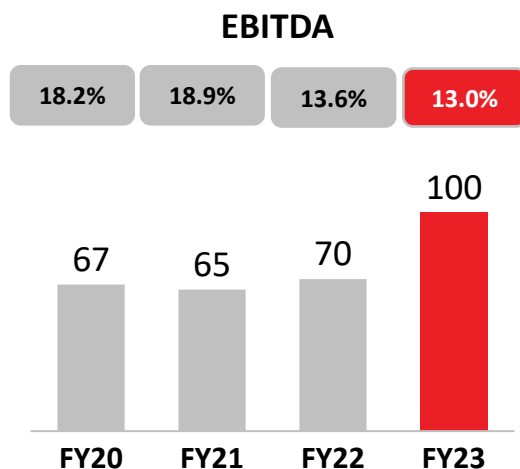
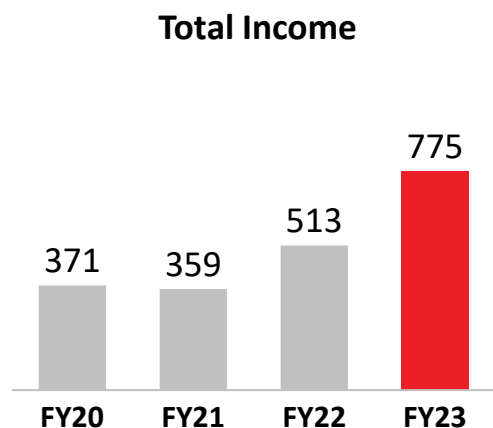
Financial Highlights

Rs. in Crs.

STANDALONE



CONSOLIDATED



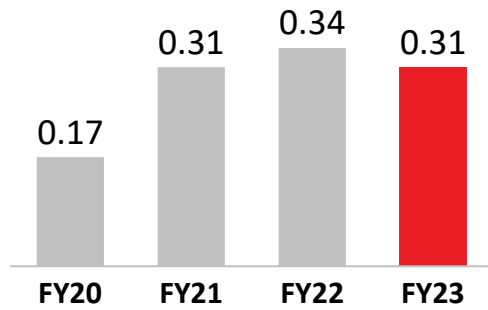
* Note – PBT and PAT for FY23 includes an exceptional items of Rs 3.44 crores :

- a. Insurance claim of Rs 6.73 crores received pertaining to a fire incident in earlier year at one of the company's manufacturing facility
- b. Estimated interest liability of Rs 3.29 crores recognised by the company on foreclosure of one authorisation under Export Promotion Capital Goods scheme

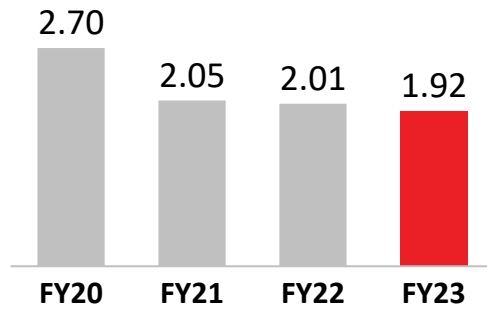
Key Ratios

STANDALONE

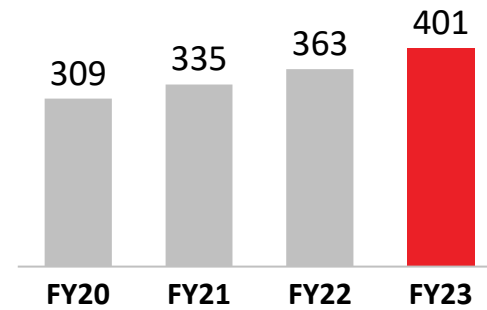
Debt / Equity (x)



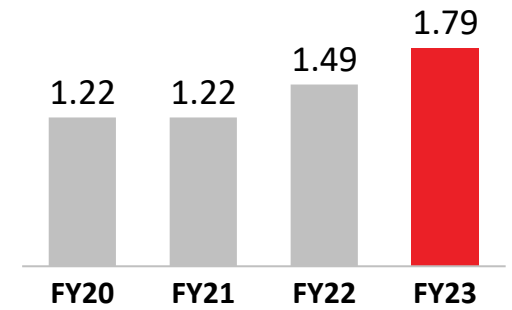
Current Ratio (x)



Networth (Rs. Cr.)



Fixed Asset Turnover (x)

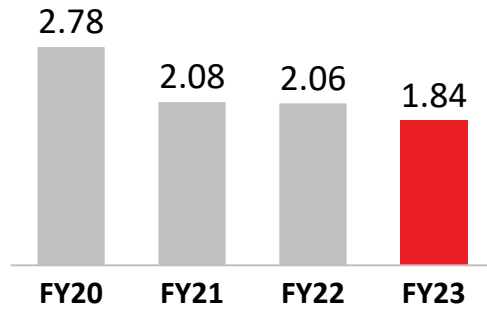


CONSOLIDATED

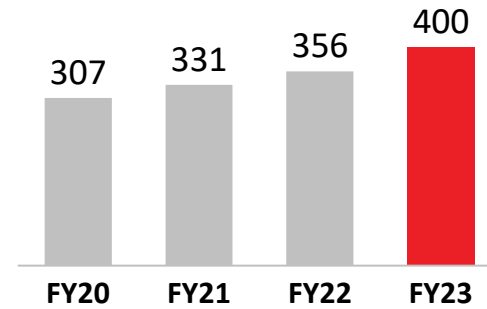
Debt / Equity (x)



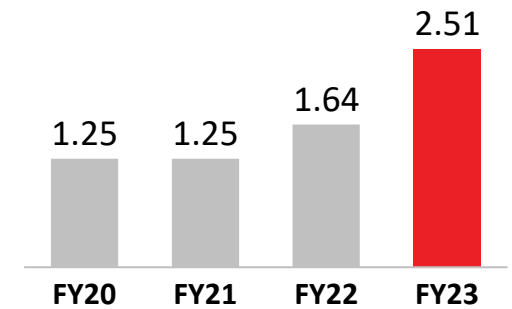
Current Ratio (x)



Networth (Rs. Cr.)



Fixed Asset Turnover (x)



Annexure



About Us

Sterling Tools Limited (STL)

01

Second largest automotive fastener manufacturer in India with a rich legacy of over **four** decades

02

Offers a comprehensive product portfolio consisting of **Standard, Chassis, Special and Engine Fasteners**

03

Strategically located **4** manufacturing facilities- **3** in Faridabad (Haryana) and **1** in Kolar (Bangalore)

04

STL caters to major OEMs across **PVs, CVs, 2Ws, Construction and Farm Equipment** segments

Sterling Gtake E-mobility Limited (SGEM)

01

Technical Collaboration with **Jiangsu Gtake Electric Company Ltd.**

02

Gtake is a technology leader in **Motor Control Units** for electric and hybrid vehicles and has a dominant market share in the electric CV space in China

03

Strategically located **1** manufacturing plant in Faridabad (Haryana) and **2** R&D centre (Faridababd & Bangalore)

04

Installed capacity of 3,00,000 MCUs per annum being expanded to 5,00,000 MCUs per annum

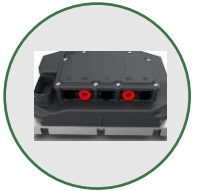
Business Verticals



FASTENERS

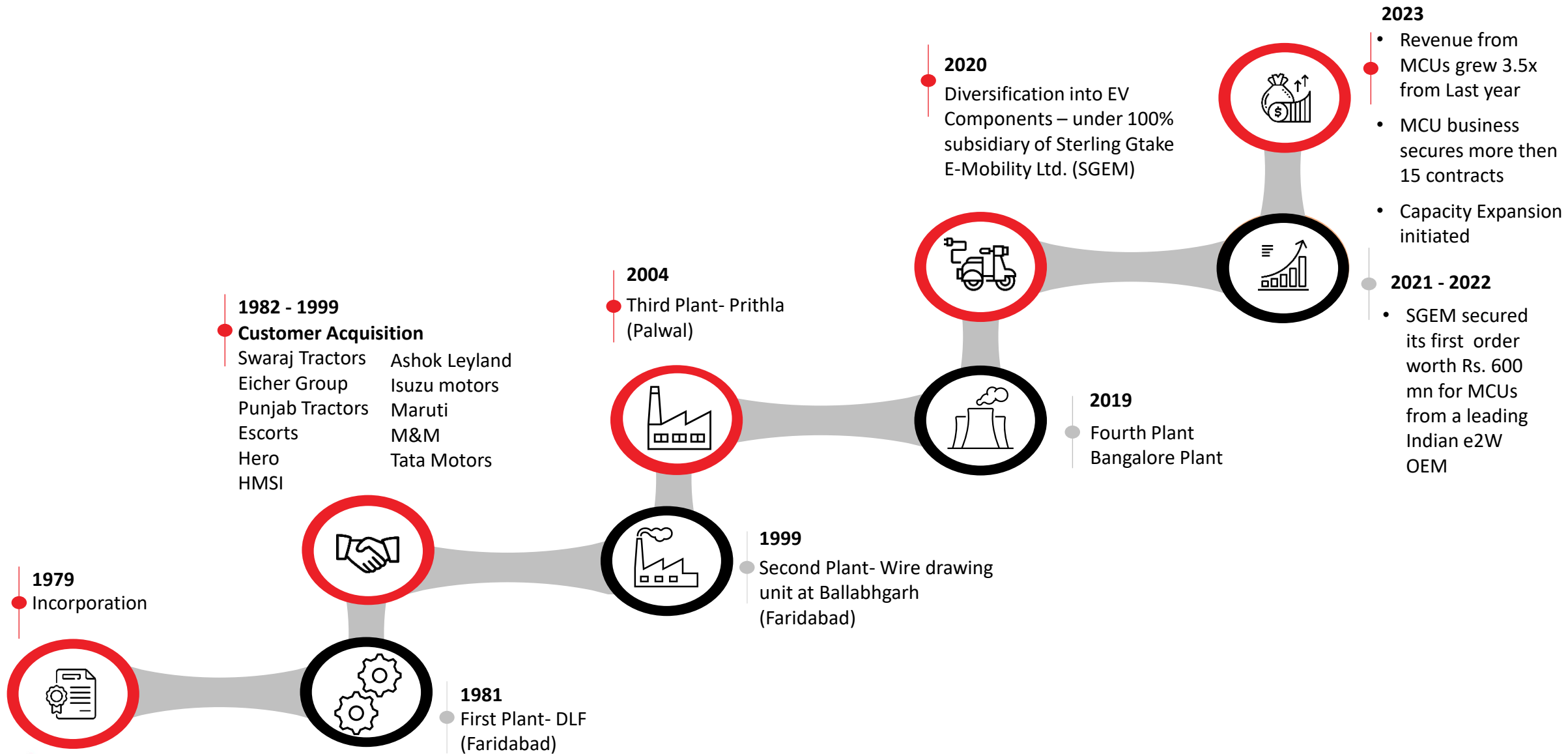
- STL is a premier producer of cold forged hi-tensile fasteners and supplies to all major auto OEMs
- State of the Art manufacturing facilities to provide reliable and high-quality products
- Diversified into multiple categories across Fasteners
- Long standing relationship with customers over the last four decades

EV Component

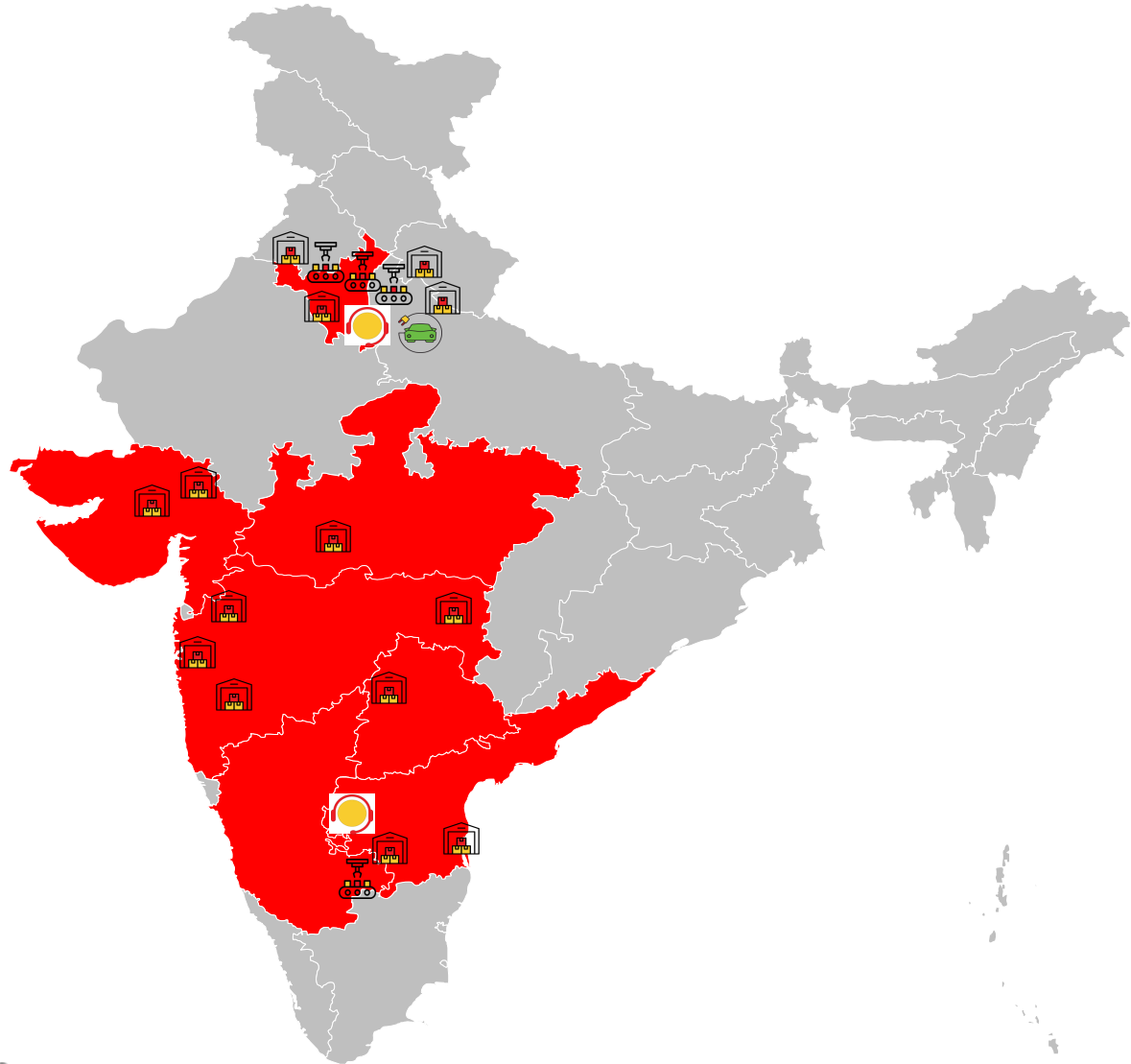


- Sterling Gtate E-mobility Limited (SGEM) is the largest MCU manufacturer for Hi-speed scooters in India
- EV is STL's growth engine in exploring other ventures in the EV powertrain domain
- Strong Tech team of 30 engineers focusing on product development and application support
- SGEM turned PBT positive in its first year of operations

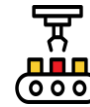
History & Milestones



Pan India Presence



Fasteners



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



- 18** Warehouses at
14 Locations

EV Component



- 1** MCU Manufacturing Plant
- Faridabad

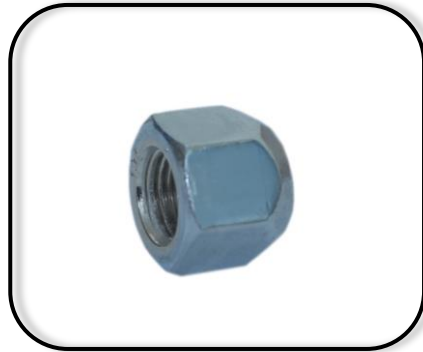


- 2** SGEM Tech Centre
- Faridabad
 - Bangalore

Product Range - Fasteners



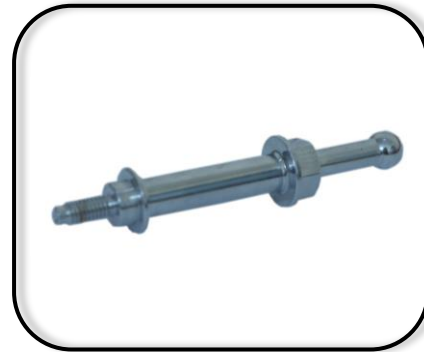
Bolts & Screws



Nuts



**Standard / Chassis
Fasteners**



Engine Fasteners



Special Fasteners

Standards



**Indian
Standards**



**German
Standards**



**Japanese
Standards**



**American
Standards**



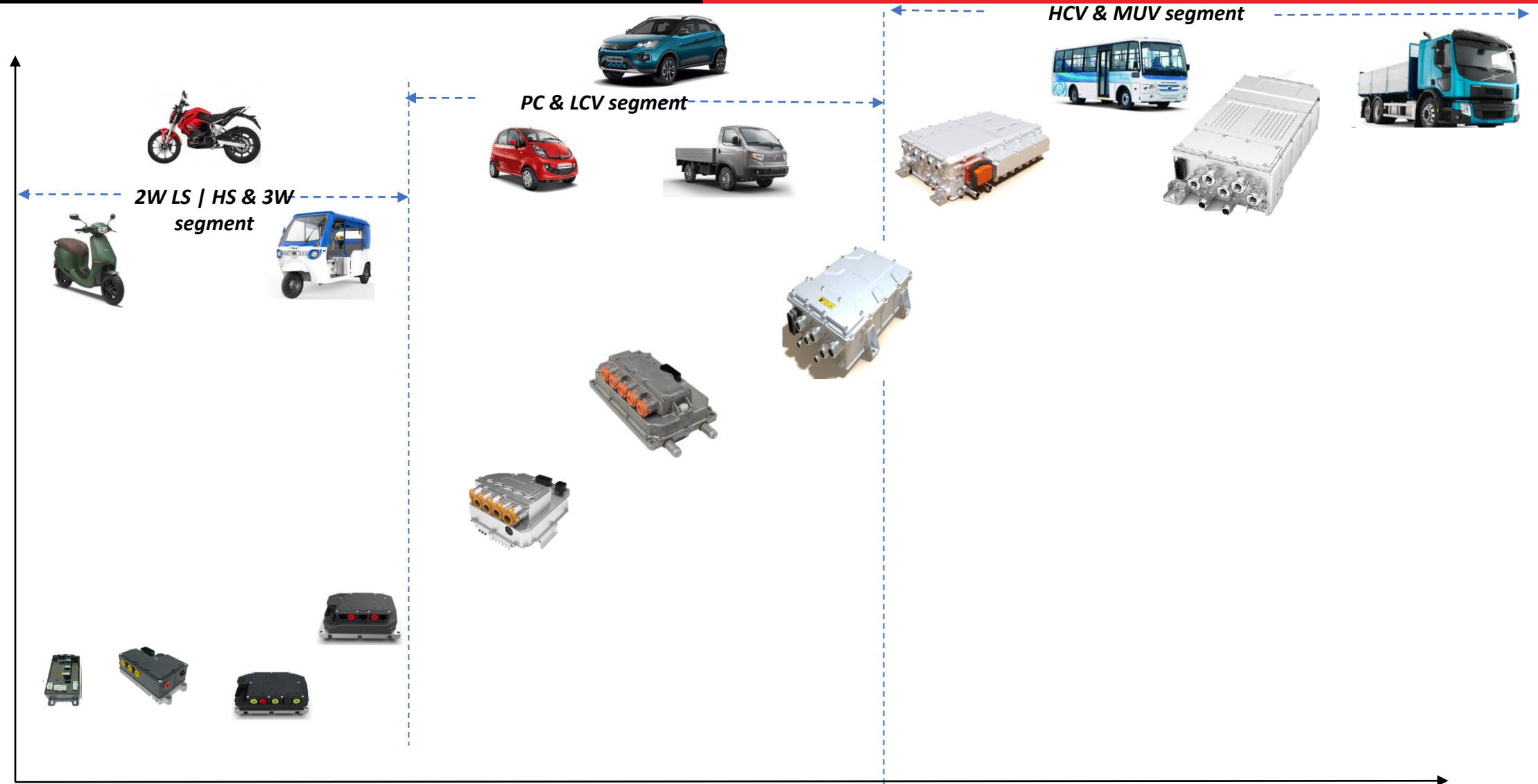
**British
Standards**

Key Clientele - Fasteners

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

Aftermarket: Strong Pan-India presence with 100+ Distributors

MCU Portfolio



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. Chhotu Ram Sharma

Director

40+ years of experience,

Expertise in Banking & Finance
Ex- MD & CEO of Bank of Punjab Ltd.

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. Atul Aggarwal

Whole Time Director

34+ years of experience,

Expertise in Marketing, Banking, Finance, Corporate Affairs, Information Technologies and Export Resources Management.

Ms. Malini Sud

Director

35+ years of experience,

Expertise in Corporate Laws
Founder- Capex Legal

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

Mr. Shailendra Swarup

Director

50+ years of experience,

Expertise in Corporate Law including International Law
CEO- Swarup & company





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
FY22	 PDF
FY21	 PDF
FY20	 PDF
FY19	 PDF



For further information, please contact

STL Group :



Sterling Tools Limited



CIN: L29222DL1979PLC009668

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Mr. Abhishek Chawla (Company Secretary)
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Investor Relations Advisors :

SGA Strategic Growth Advisors

CIN: U74140MH2010PTC204285

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