



STERLING TOOLS LIMITED

INVESTOR PRESENTATION

Q3 & 9MFY23

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Company Overview



About Sterling Tools Limited (STL)

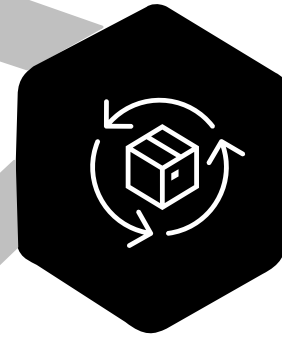
01 >

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



03 >

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



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

< 02



Marquee Clientele
STL caters to an esteemed clientele across **PVs, CVs, 2Ws, Construction and Farm Equipment** segments

< 04

About Sterling Gtake E-mobility Limited (SGEM)

1

Partnership with Jiangsu Gtake Electric Company Ltd. which led to Sterling Gtake E-mobility Ltd. (SGEM)

2

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

3

First mover advantage in application support, market development as well as product localization

4

Installed capacity of 3,00,000 MCUs; Facility expansion being planned to further enhance capacity

Our Mission, Vision and Goals



We provide reliable and superior quality auto components to our customers by harnessing best-in-class manufacturing practices, clean and green technology, entrepreneurial spirit, and passion of our people



- ✓ Be the most trusted brand for our customers
- ✓ Maximize value for our shareholders
- ✓ Be respected in our community
- ✓ Bring pride to our people



- ✓ 360 Degree Vision
- ✓ Achieving Excellence
- ✓ Engineering to Perfection

Business Verticals



FASTENERS

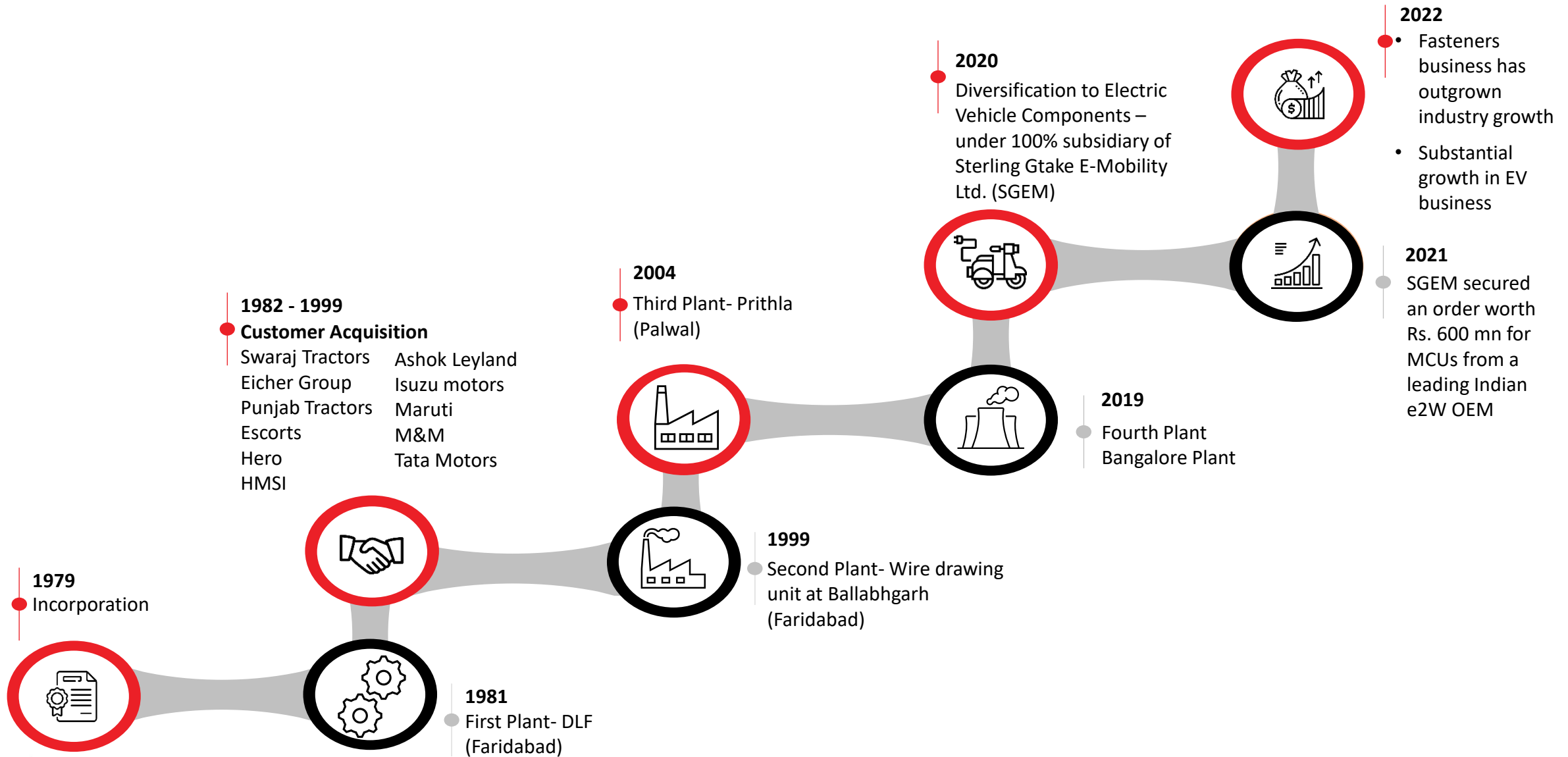
- STL is a premier producer of cold forged hi-tensile fasteners and supplies to all major auto OEMs
- State of the Art manufacturing facilities to provide reliable and high-quality products
- Diversified into multiple categories across Fasteners
- Long standing relationship with customers over the last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

ELECTRIC VEHICLE

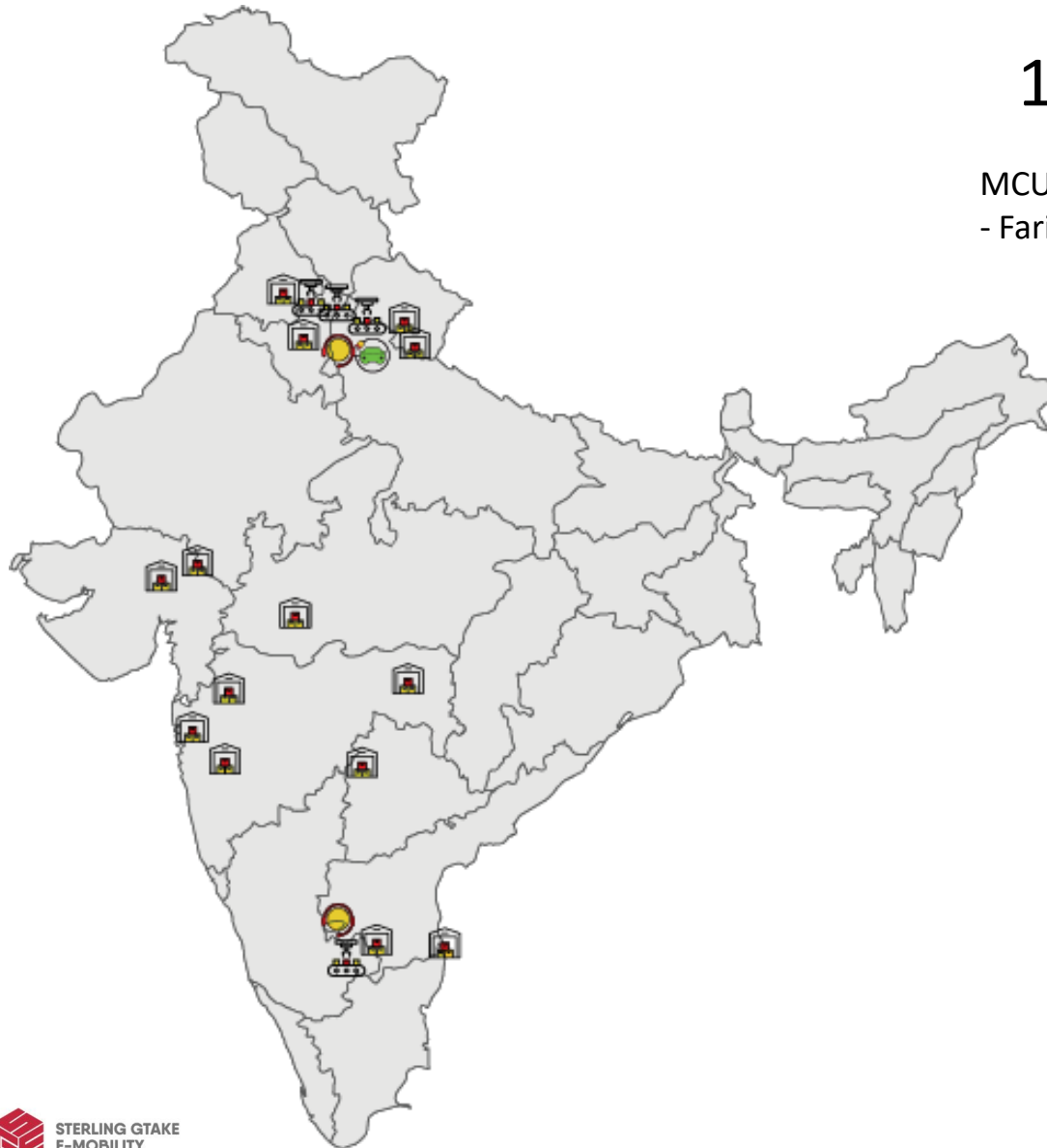


- Sterling Gtake E-mobility Limited (SGEM) is a 100% subsidiary of STL through strategic partnership between STL and Jiangsu Gtake of Shenzhen (China)
- EV is STL's new growth engine wherein the Company has entered into this partnership for manufacturing of Motor Control Units (MCUs)
- Strong Tech team of 30 members focusing on product development that has enabled STL to capture ~50% market share in high-speed scooter segment
- The EV vertical is growing rapidly and has already become PBT positive within a short span of 2 years

History & Milestones



Pan India Presence



1



MCU Manufacturing Plant
- Faridabad

2



SGEM Tech Centre
- Faridabad & Bangalore

4



Fasteners Manufacturing Plants
- Faridabad, Ballabhgarh,
Palwal & Bangalore



18 Warehouses at **14** Locations

Ahirabad	Mehsana
Ahmedabad	Nagpur
Altible	Nashik
Bhiwandi	Pithampur
Faridabad (3 Locations)	Pune
Gurugram (3 Locations)	Puzhal
Haridwar	Udham Singh Nagar

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.

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. Chhotu Ram Sharma

Director

40+ years of experience,

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

Ms. Malini Sud

Director

35+ years of experience,

Expertise in Corporate Laws
Founder- Capex Legal.

Mr. Shailendra Swarup

Director

50+ years of experience,

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

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 Management, Auto & Industrial Component Industry Knowledge.
Ex- MD in the Ingersoll Rand.

Mr. Akhill Aggarwal

Director

10+ years of experience,

Expertise in Automobile business and other allied services related to the sector.

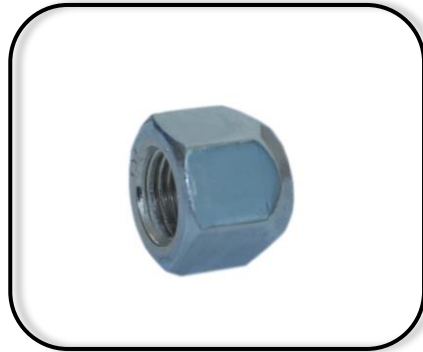
Awards & Recognition



Product Range - Fasteners



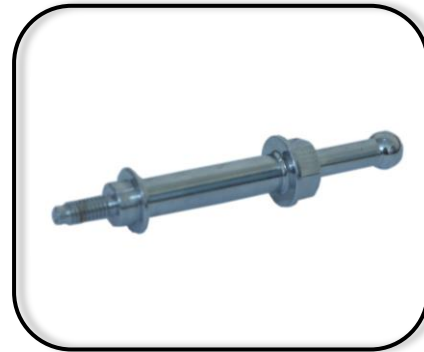
Bolts & Screws



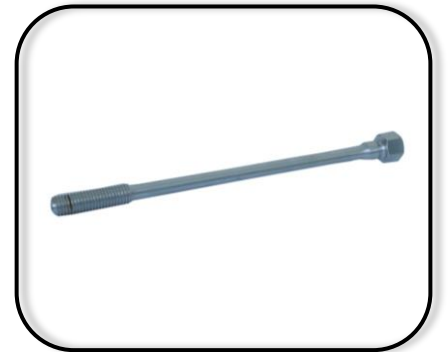
Nuts



**Standard / Chassis
Fasteners**



Engine Fasteners



Special Fasteners

Standards



**Indian
Standards**



**German
Standards**



**Japanese
Standards**

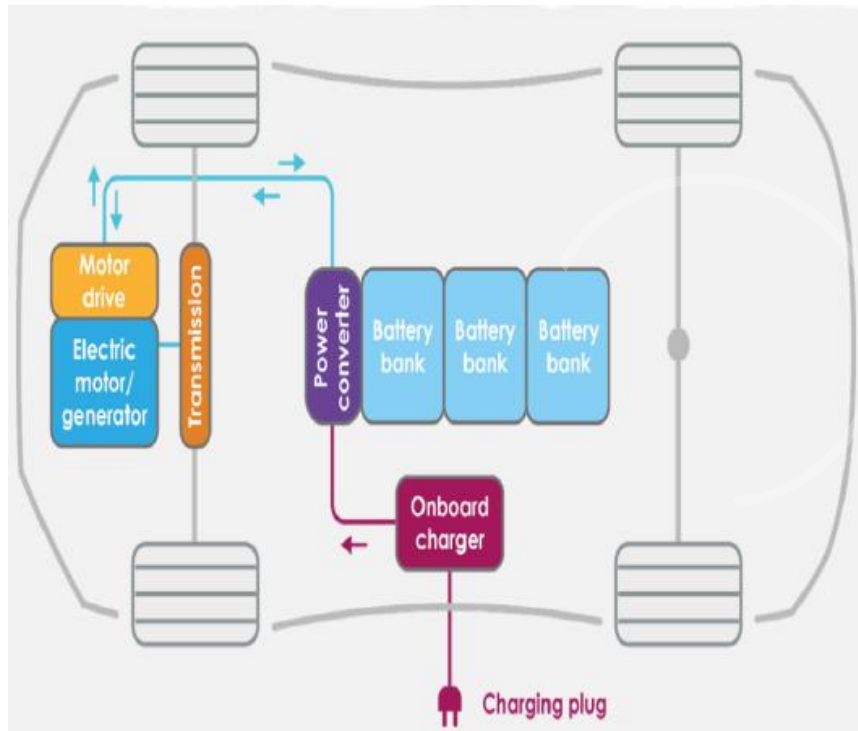


**American
Standards**



**British
Standards**

About Motor Control Unit (MCU)



A Motor Control Unit (MCU) is an electronic module that interfaces with the Motor as well as the Battery Pack to control the electric vehicle's speed, acceleration and range based on the throttle input

MCUs are one of the most important components of an EV and require a combination of power electronics, motor control algorithm and firmware expertise

In the absence of a VCU, the MCU also controls some basic vehicle level functionality

EV powertrain usually describes a sub system consisting of the motor, controller and gearbox/differential. Some suppliers may also include the battery pack, the AC/DC and DC/DC converters, the wiring harnesses and possibly the instrument cluster so as to provide a comprehensive solution for the entire electrical sub system

MCUs make up to 10% of electric two-wheeler cost

Product Range – Motor Control Unit (EV)



Product: D00
Application: Low Speed Scooter
Localization in CY23



Product: D06
Application: High Speed Scooter
Localized



Product: D03
Application: Performance Scooter & 3W
Localized



Product: D04
Application: Light Commercial Vehicles
Localization in CY23



Product: G05
Application: Passenger Vehicles
Localization in CY23



Product: G02
Application: Heavy Commercial Vehicles

In-house SMT lines for Board Population being planned

Key Clientele - Fasteners



Aftermarket: Strong Pan-India presence with 100+ Distributors

MCUs (EV)

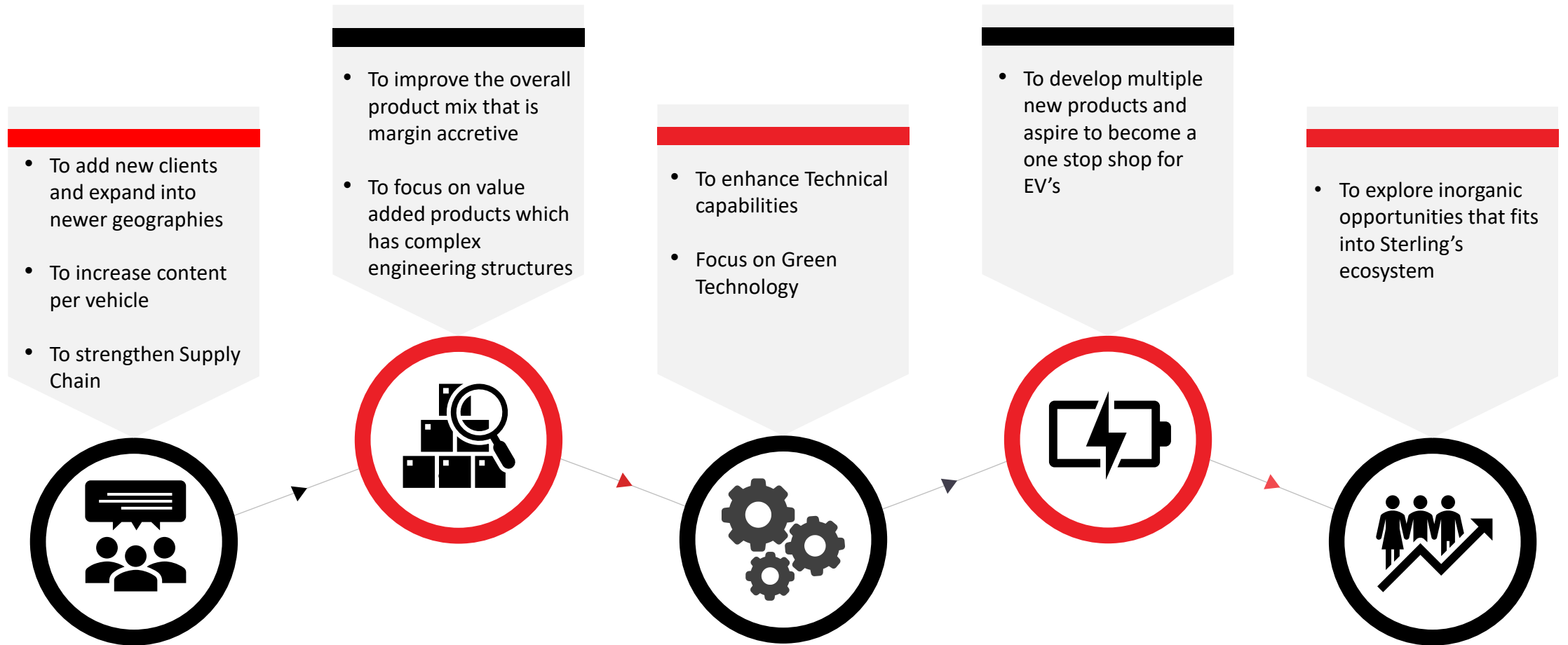
SGEM is the **sole supplier** of MCU's to India's largest EV 2 wheeler manufacturer

SGEM has purchase orders from **14** EV OEM's

More than **30** automotive electric vehicle original equipment manufacturers are in advanced stages of discussion with SGEM regarding their MCU requirements for different vehicle categories



Our Strategy Going Ahead



Q3 & 9M FY23 Quarterly Highlights



Business Highlights



We are delighted to share that the company has reported a robust revenue growth of **33%** in 9MFY23 to **Rs. 443 crores** as compared to corresponding period last year. The growth was primarily driven by increase in content per vehicle, overall robust industry demand & parts SOB increase in select OEM's.



The EV theme is the next big thing in the industry and we are well positioned to expand our footprint in that vertical. Our EV business has increased substantially in the last 9 months which demonstrates our capabilities and strength to venture into new areas. The turnover in this vertical touches **Rs. 119 crores** in 9MFY23 as compared to Rs. 7 crore in 9MFY22.



We continue to focus on increasing sales in the EV vertical by catering to new OEMs, developing new products and sharpening our engineering capabilities. This strategy will enable the company to expand its footprint and grab market share.

Industry Highlights



Passenger Vehicles

- The passenger vehicles reported a 31% growth in 9MFY23 as compared to 9MFY22
- The growth is mainly attributed to robust festive demand, new launches and adequate supply of vehicles



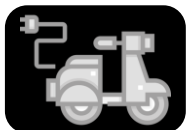
Two-wheeler

- The two-wheeler vertical registered a 13% growth YoY between April – December 2022
- The rural demand is sluggish and there is a possibility of an uptick in the overall two-wheeler sales in Q4FY23



Commercial Vehicles

- The CV segment witnessed a robust growth of 40% in 9MFY23 against same period last year
- The overall demand for CVs improved largely due to pick up in road construction projects, cement consumption and fleet utilization levels



EV Two-wheeler

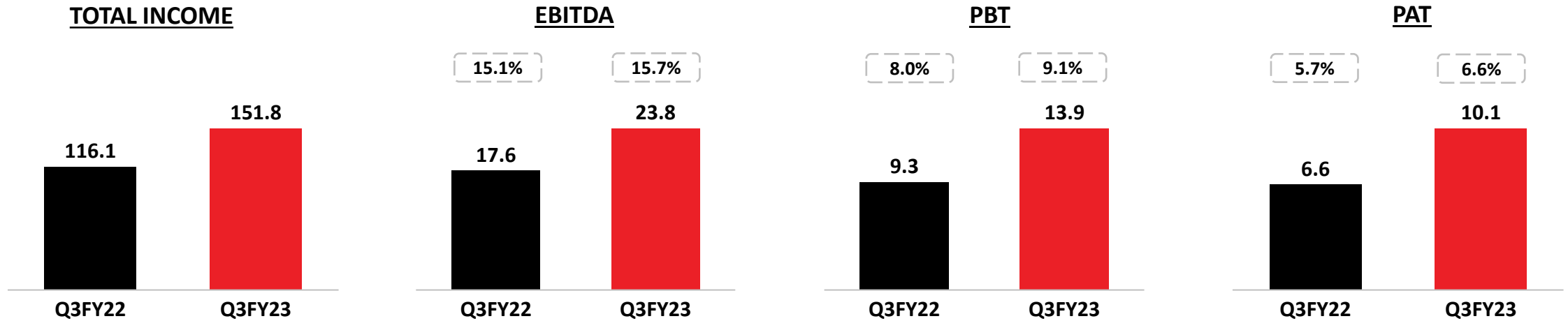
- There is a significant buzz in electric vehicles with electric two-wheelers witnessed a sales growth of 196% YoY to 2.20 Lakh units during 9MFY23
- The government of India has a significant thrust on EV segment wherein it is beneficial to both; the industry and customers at large

Source: SIAM, Industry Reports

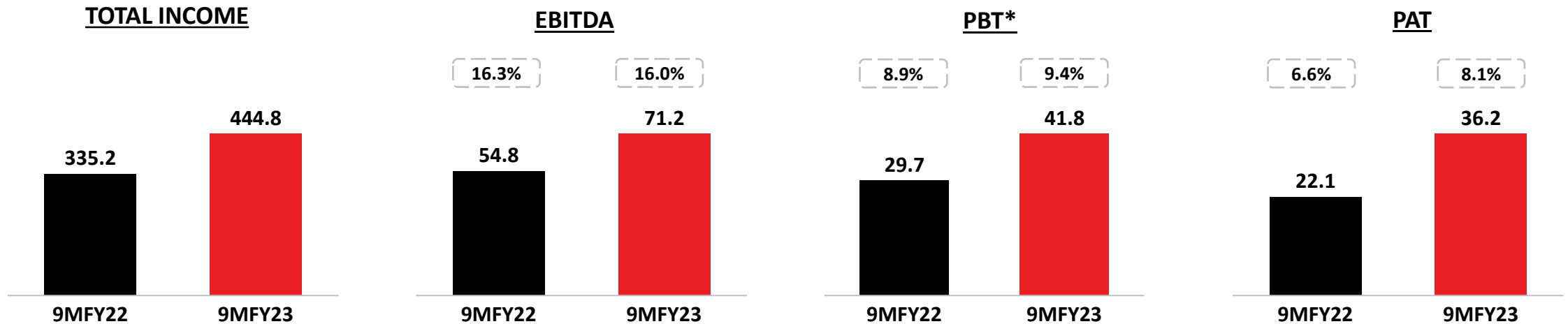
Key Financial Highlights For Q3 & 9MFY23 - Standalone

Rs. in Crs

Quarterly Performance



YTD FY23 Performance



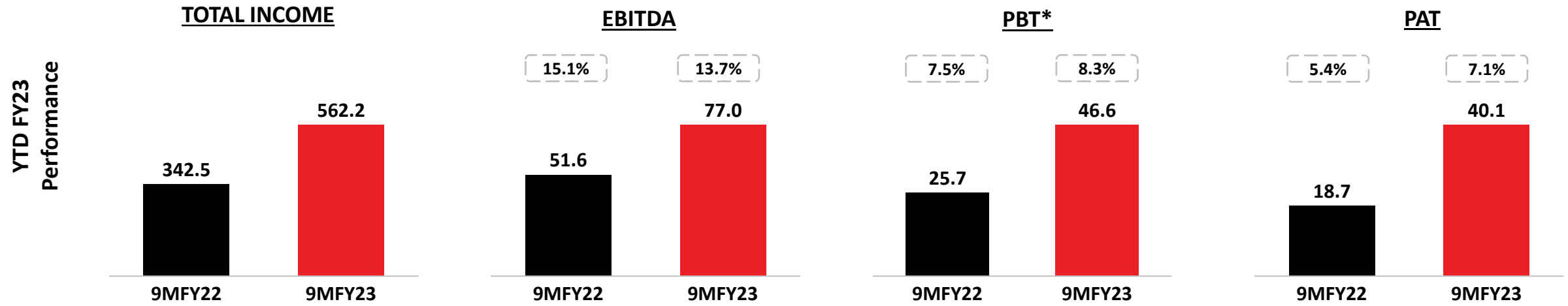
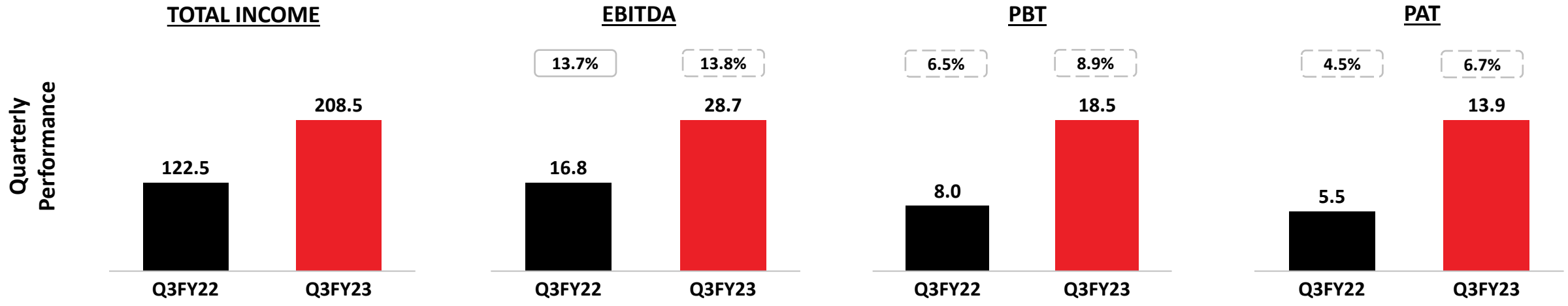
Margin

*PBT for 9MFY23 includes exceptional items of Rs. 6.7 crore



Key Financial Highlights For Q3 & 9MFY23 - Consolidated

Rs. in Crs



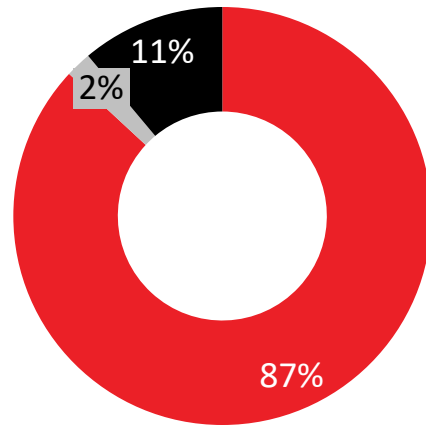
Margin

*PBT for 9MFY23 includes exceptional items of Rs. 6.7 crore

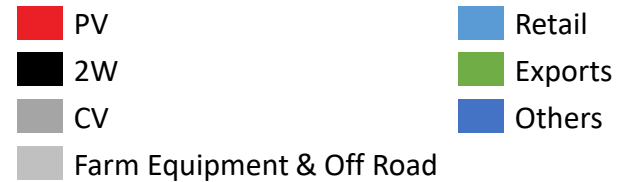
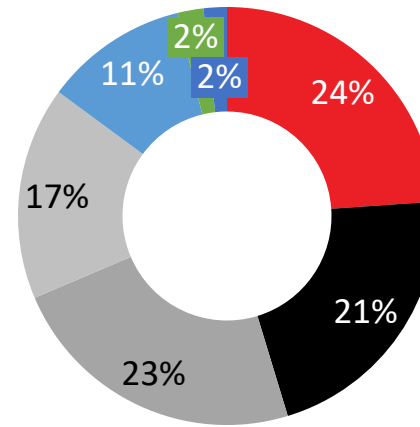
Well Diversified Revenue Mix

Fasteners Business

Channel-wise Mix – 9MFY23

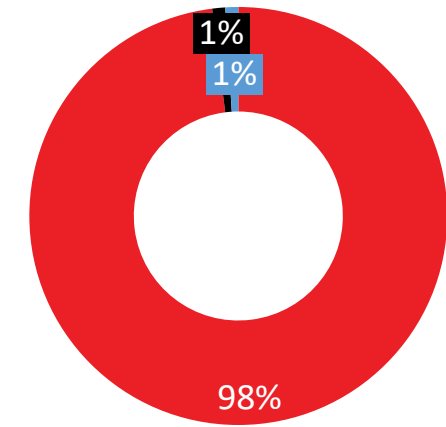


Segment-wise Mix – 9MFY23



EV Business

Segment-wise Mix – 9MFY23



Profit and Loss Statement - *Standalone*

Rs. in Crs

Particulars	Q3FY23	Q3FY22	YoY (%)	Q2FY23	QoQ (%)	9MFY23	9MFY22	YoY (%)
Revenue from Operations	151.3	115.5	31.1%	153.9	-1.7%	442.6	332.8	33.0%
Other income	0.5	0.6		0.8		2.3	2.4	
Total Income	151.8	116.1	30.8%	154.7	-1.9%	444.8	335.2	32.7%
Cost of Goods Sold	64.7	44.8		60.1		180.7	128.4	
Gross Profit	87.1	71.3		94.6		264.2	206.8	
Gross Profit Margin	57.4%	61.4%		61.2%		59.4%	61.7%	
Employee benefit expense	11.1	10.5		11.1		33.7	32.0	
Other expenses	28.3	22.5		30.5		84.5	63.7	
EBITDA	23.8	17.6	35.2%	25.8	-7.9%	71.2	54.8	30.0%
EBITDA Margin	15.7%	15.1%		16.7%		16.0%	16.3%	
Depreciation and amortisation expenses	7.7	6.7		7.8		23.3	20.1	
EBIT	16.1	10.9		18.0		47.9	34.7	
EBIT Margin	10.6%	9.4%		11.6%		10.8%	10.4%	
Finance costs	2.2	1.6		2.1		6.1	5.0	
Exceptional item	-	-		6.7		6.7	-	
Profit before tax	13.9	9.3	49.4%	22.7	-38.8%	48.6	29.7	63.6%
Profit before tax Margin	9.1%	8.0%		14.7%		10.9%	8.9%	
Tax	3.8	2.7		5.4		12.4	7.6	
Profit after tax	10.1	6.6	52.9%	17.2	-41.4%	36.2	22.1	63.5%
Profit after tax Margin	6.6%	5.7%		11.1%		8.1%	6.6%	
EPS (in Rs.)	2.80	1.83		4.78		10.04	6.14	

Profit and Loss Statement - Consolidated

Rs. in Crs

Particulars	Q3FY23	Q3FY22	YoY (%)	Q2FY23	QoQ (%)	9MFY23	9MFY22	YoY (%)
Revenue from Operations	207.8	122.0	70.4%	178.6	16.4%	560.3	340.2	64.7%
Other income	0.6	0.5		0.5		1.9	2.4	
Total Income	208.5	122.5	70.2%	179.1	16.4%	562.2	342.5	64.1%
Cost of Goods Sold	110.5	50.9		80.5		277.7	135.3	
Gross Profit	97.9	71.6		98.7		284.5	207.3	
Gross Profit Margin	47.0%	58.5%		55.1%		50.6%	60.5%	
Employee benefit expense	12.9	11.3		12.5		38.1	34.1	
Other expenses	32.3	22.9		33.3		94.2	65.1	
EBITDA	28.7	16.8	71.1%	25.6	12.3%	77.0	51.6	49.2%
EBITDA Margin	13.8%	13.7%		14.3%		13.7%	15.1%	
Depreciation and amortisation expenses	7.9	6.8		8.0		23.8	20.2	
EBIT	20.8	10.0		17.6		53.2	31.4	
EBIT Margin	10.0%	8.2%		9.8%		9.5%	9.2%	
Finance costs	2.3	1.7		2.4		6.6	5.1	
Exceptional item	0.0	0.0		6.7		6.7	0.0	
Profit before tax	18.5	8.0	131.1%	21.9	-15.8%	53.3	25.7	108.0%
Profit before tax Margin	8.9%	6.5%		12.2%		9.5%	7.5%	
Tax	4.6	2.5		5.3		13.2	7.0	
Profit after tax	13.9	5.5	154.9%	16.6	-16.2%	40.1	18.7	115.0%
Profit after tax Margin	6.7%	4.5%		9.3%		7.1%	5.4%	
EPS (in Rs.)	3.86	1.52		4.61		11.13	5.18	

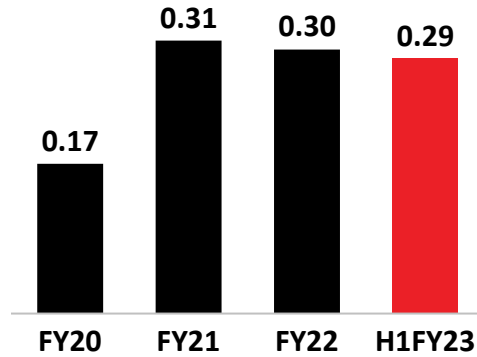
Historical Financials



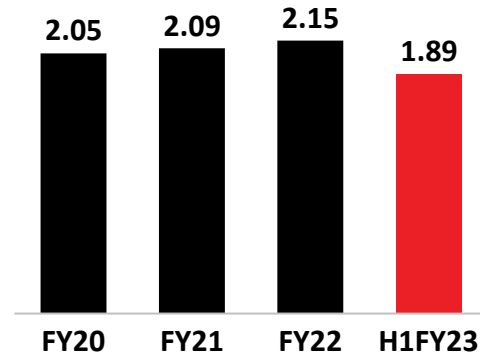
Key Ratios

Standalone

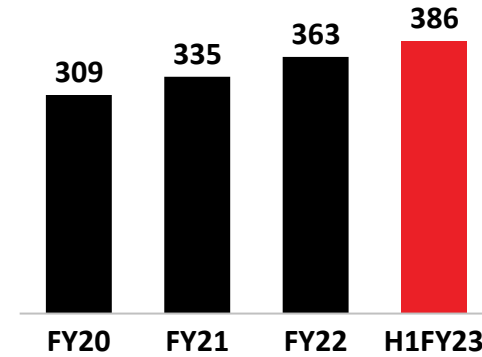
Debt / Equity (x)



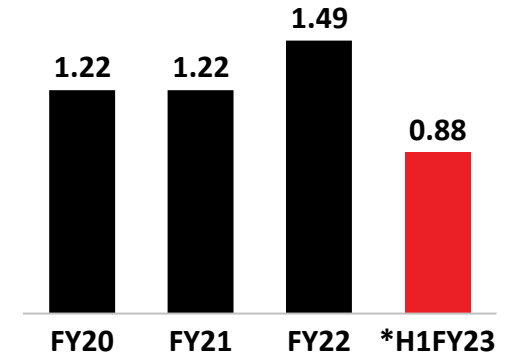
Current Ratio (x)



Networth (Rs Cr)

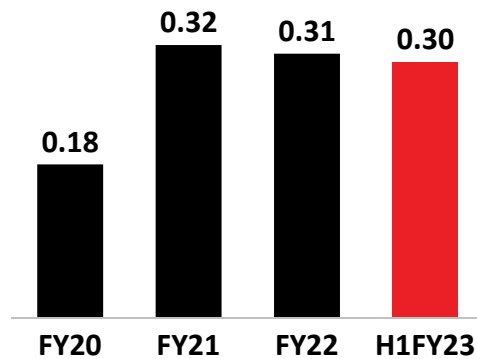


Fixed Asset Turnover (x)

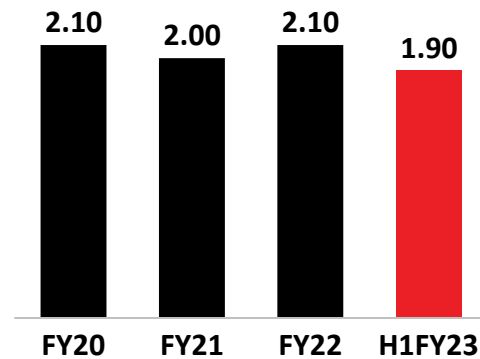


Consolidated

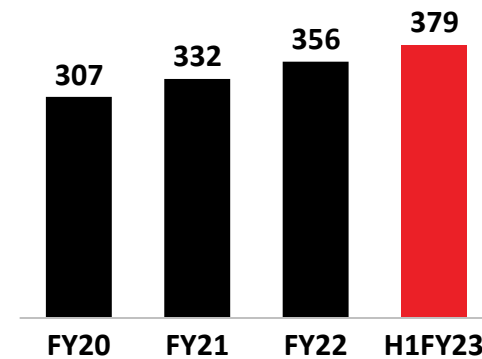
Debt / Equity (x)



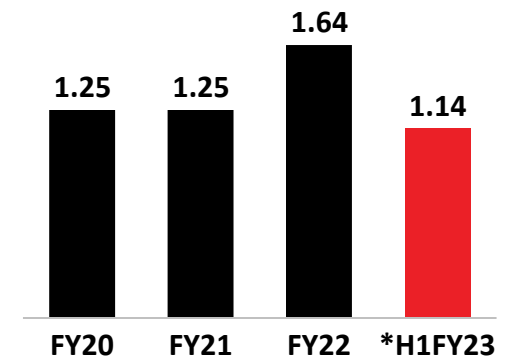
Current Ratio (x)



Networth (Rs Cr)







Fixed Asset Turnover (x)



Dividend paying from last 2 decades

*H1FY23 data is not annualised

Previous Annual Results

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

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For further information, please contact

Company :



Sterling Tools Limited

CIN: L29222DL1979PLC009668

Mr. Pankaj Gupta (Chief Financial Officer) /
Mr. Abhishek Chawla (Manager – Legal & Secretarial)
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