



# The Hi-Tech Gears Ltd

## COMPANY BACKGROUND.....

- The Hi-Tech Gears Ltd. (THGL) was incorporated in 1986 and has grown to be an auto component manufacturer of high repute, supplying engine and transmission components to diverse marquee customers across the globe.
- The company is led by a highly experienced and professional team and governed by a strong Board of Directors, including eight independent directors of eminent industry leaders.
- It 5 state-of-the-art manufacturing plants across the world, with 3 plants in India and 1 each in Canada and USA.
- The product portfolio of the company comprises best-in-class precision gears, shafts, transmission components, and engine components catering to diverse segments of Two Wheeler, Passenger Vehicles, Commercial Vehicles, and Agri and Off-Road vehicles.
- THGL are key strategic suppliers to various OEMs in the automotive industry, specializing in producing components that meet the highest quality standards in the industry.

## KEY STRENGTHS.....

- One of the leading manufacturers of critical high-precision gears, shafts, and Transmission components
- One of the very few component manufacturers catering to diverse segments of automobiles and engines
- Strategically located state-of-the-art manufacturing facilities in India, Canada, and the USA
- Long-standing strong relationships with customers and suppliers
- Operational excellence drive through 'Lean' manufacturing principles and TPM practices
- Entrepreneurial, Empowered, loyal & committed team

## FINANCIAL HIGHLIGHTS (INR Mn).....

	Op. Income	EBITDA	EBITDA%	PAT	PAT%	EPS
<b>FY21</b>	7,455	899	12.06%	288	3.86%	15.34
<b>FY22</b>	9,706	817	8.42%	(11)	NA	(0.59)
<b>FY23</b>	11,692	1,414	12.09%	231	1.98%	12.30
<b>9M-FY24</b>	8,200	1,091	13.30%	964	11.76%	51.29

### Key Data

<b>BSE Code</b>	522073
<b>NSE Code</b>	HITECHGEAR
<b>Reuters</b>	-
<b>Bloomberg</b>	HTG:IN

### Market Data (INR) As on 31<sup>st</sup> December, 2023

<b>Face Value</b>	10.00
<b>CMP</b>	457
<b>52 Week H/L</b>	518.30/226.10
<b>MCAP (Mn)</b>	8576.97
<b>Shares O/S (Mn)</b>	18.77
<b>1 Yr Avg. Vol. ('000)</b>	37.25

### Performance As on 31<sup>st</sup> December, 2023

	3M	6M	12M
<b>Hi-Tech</b>	27.65%	23.87%	73.11%
<b>Sensex</b>	9.77%	11.42%	18.68%
<b>BSE Small cap</b>	13.22%	30.52%	47.25%

### Shareholding Pattern As on 31<sup>st</sup> December, 2023

<b>Promoters</b>	56.26%
<b>Public</b>	43.74%

**BUSINESS SEGMENTS.....**

**Passenger Vehicles Products:**

- THGL is a renowned manufacturer specializing in passenger vehicle transmission gears, shafts, driveline components, and steering linkage components.
- The company's transmission gears and shafts are precision-engineered to ensure smooth and efficient operation in passenger vehicles, contributing to optimal drivetrain performance.
- The company has a capacity of 4 Mn p.a. dedicated for passenger vehicle transmission gears and shafts as well as driveline components.

**Two-Wheeler Products:**

- THGL specializes in manufacturing high-quality two-wheeler transmission gears and shafts.
- The company's transmission components are precision-engineered to ensure seamless gear shifting and optimal performance.
- The company has a capacity of 40 Mn p.a. dedicated for two-wheeler transmission gears and shafts.

**Commercial, On/Off-Highway, Agri Vehicle Products:**

- THGL specializes in manufacturing high-quality components for commercial vehicle – on and off highway and Agri vehicle engines, transmission gears, and power take-off (PTO) systems.
- Their components are tailored to meet the demanding requirements of rugged environments, providing robust and durable solutions that ensure optimal power delivery and performance.
- The company's annual capacity of 4.1 million units is dedicated to manufacturing transmission gears & shafts, engine gears, and power takeoff components for commercial vehicles, off-highway vehicles, and agricultural vehicles.

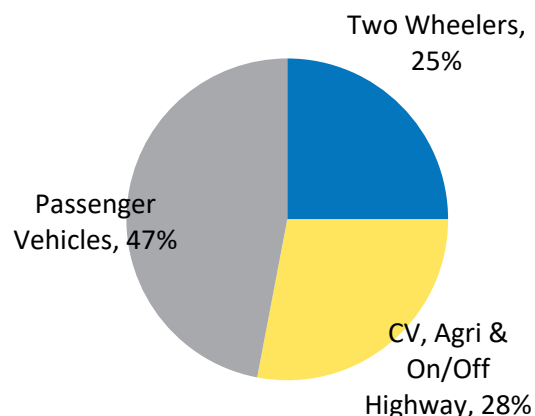
**FUTURE PLANS .....**

- Increase share of wallet through enhanced product spread (EV and higher value add) with current customers
- Acquire new customers in both auto and non-auto space to maximize existing capacity utilization
- Enhance operational excellence through TPM pillars, continuous improvement, and internal governance mechanisms
- Improve financial performance metrics through improved margins, debt reduction, and strategic growth
- Focus on building a highly skilled and empowered team

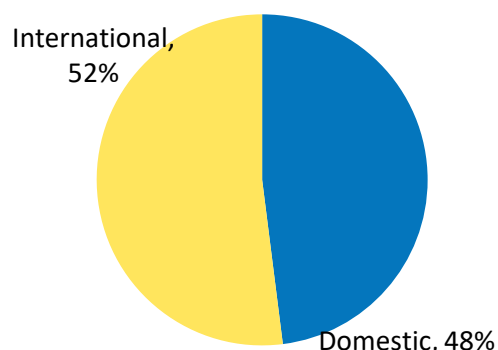
**PEER COMPARISON (TRAILING 12 MONTHS) INR Mn.....**

Company	Op. Income	EBITDA	EBITDA%	PAT	PAT%	Market Cap.
The Hi-Tech Gears	10,941	1,298	11.9%	1,130	10.3%	8,577
Racl Geartech	3,987	953	23.9%	405	10.2%	12,552
Talbros	7,504	1,089	14.5%	734	9.8%	3,686
Shanthi Gears	5,057	1,018	20.1%	759	15.0%	45,987
Sundram Fasteners	56,478	8,854	15.7%	5,186	9.2%	2,62,314

**FY23 STANDALONE REVENUE CONTRIBUTION (%)**



**FY23 CONSOLIDATED REVENUE CONTRIBUTION (%)**



**INCOME STATEMENT (CONSOLIDATED)**

PARTICULARS (INR Mn)	FY21	FY22	FY23	9M-FY24
<b>Income from Operations</b>	<b>7,455</b>	<b>9,706</b>	<b>11,692</b>	<b>8,200</b>
Total Expenses	6,556	8,889	10,278	7,109
<b>EBITDA</b>	<b>899</b>	<b>817</b>	<b>1,414</b>	<b>1,091</b>
<b>EBITDA Margins(%)</b>	<b>12.06%</b>	<b>8.42%</b>	<b>12.09%</b>	<b>13.30%</b>
Depreciation and Amortization	431	523	822	449
Finance cost	233	264	332	311
Other Income	105	79	79	66
<b>Profit before Extraordinary Items</b>	<b>340</b>	<b>109</b>	<b>339</b>	<b>397</b>
Extraordinary Items	-	-	-	<b>770</b>
<b>Profit Before Tax</b>	<b>340</b>	<b>109</b>	<b>339</b>	<b>1,167</b>
Tax	52	120	108	203
<b>Profit after tax</b>	<b>288</b>	<b>(11)</b>	<b>231</b>	<b>964</b>
<b>PAT Margins(%)</b>	<b>3.86%</b>	<b>NA</b>	<b>1.98%</b>	<b>11.76%</b>
Other comprehensive income	157	149	30	51
<b>Total Comprehensive income</b>	<b>445</b>	<b>138</b>	<b>261</b>	<b>1,015</b>
Diluted EPS (INR)	15.34	(0.59)	12.30	51.29

**BALANCE SHEET (CONSOLIDATED)**

EQUITIES & LIABILITIES (INR Mn)	FY22	FY23	H1-FY24	ASSETS (INR Mn)	FY22	FY23	H1-FY24
<b>Shareholder Funds</b>	<b>3,307</b>	<b>3,544</b>	<b>4,348</b>	<b>Non Current Assets</b>	<b>5,924</b>	<b>5,390</b>	<b>5,068</b>
(A) Equity Share Capital	188	188	188	(A) Property, plant & equipment	3,871	3,853	3,502
(B) Reserves & Surplus	3,120	3,357	4,160	(B) Capital work-in-progress	382	132	141
				(C) Right of use assets	271	263	331
<b>Non-current Liabilities</b>	<b>3,297</b>	<b>2,475</b>	<b>1,457</b>	(D) Other intangible assets	581	526	511
(A) Financial liabilities				(E) Goodwill	557	314	325
i) Borrowings	2,992	2,196	531	(F) Financial Assets			
ii) Lease Liability	221	205	860	i) Investments	122	122	122
(B) Provision	34	38	38	ii) Loans	3	1	1
(C) Deferred tax liabilities (net)	36	25	18	iii) Other Financial Assets	38	46	84
(D) Other Non-Current liabilities	13	10	10	(G) Deferred Tax Assets (Net)	-	83	-
				(H) Other non- current assets	99	50	51
<b>Current Liabilities</b>	<b>3,419</b>	<b>3,835</b>	<b>3,587</b>	<b>Current Assets</b>	<b>4,099</b>	<b>4,464</b>	<b>4,324</b>
(A) Financial liability				(A) Inventories	1,161	1,235	1,252
i) Borrowings	1,448	2,136	1,929	(B) Trade Receivables	1,739	2,086	2,060
ii) Lease liabilities	45	35	120	(C) Cash & cash equivalents	609	334	103
iii) Trade payables	1,433	1,206	985	(D) Bank balance other than above	258	464	523
iv) Other financial liabilities	364	330	412	(E) Loans	5	7	4
(B) Other current liabilities	86	105	114	(F) Other financial Assets	87	87	87
(C) Provisions	43	24	27	(G) Current Tax Assets (Net)	19	28	41
				(H) Other current assets	221	223	254
<b>GRAND TOTAL - EQUITIES &amp; LIABILITIES</b>	<b>10,023</b>	<b>9,855</b>	<b>9,392</b>	<b>GRAND TOTAL – ASSETS</b>	<b>10,023</b>	<b>9,855</b>	<b>9,392</b>

## INVESTOR RELATIONS TEAM AT VALOREM ADVISORS .....

Name	Designation	Email	Phone
Anuj Sonpal	CEO	anuj@valoremadvisors.com	+91-22-4903-9500
Jagdish Thanvi	Lead Manager	jagdish@valoremadvisors.com	+91-22-4903-9500

### Valorem Advisors Disclaimer:

Valorem Advisors is an Independent Investor Relations Management Service company. This factsheet has been prepared by Valorem Advisors based on information and data which the Company considers reliable, but Valorem Advisors and 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 this 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, this Presentation is expressly excluded. Valorem Advisors also hereby certifies that the directors or employees of Valorem Advisors do not own any stock in personal or company capacity of the Company under review.

### The Hi-Tech Gears Ltd. Disclaimer:

No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. Certain statements made in this presentation may not be based on historical information or facts and may be “forward looking statements” based on the currently held beliefs and assumptions of the management of The Hi-Tech Gears Ltd. which are expressed in good faith and in their opinion reasonable, including those relating to the Company’s general business plans and strategy, its future financial condition and growth prospects and future developments in its industry and its competitive and regulatory environment.

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance or achievements of the Company or industry results to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements, including future changes or developments in the Company’s business, its competitive environment and political, economic, legal and social conditions. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements to reflect future events or developments.

This presentation is for general information purposes only, without regard to any specific objectives, financial situations or informational needs of any particular person. This presentation does not constitute an offer or invitation to purchase or subscribe for any securities in any jurisdiction, including the United States. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. None of our securities may be offered or sold in the United States, without registration under the U.S. Securities Act of 1933, as amended, or pursuant to an exemption from registration there from.

This document is confidential and may not be copied or disseminated, in whole or in part, and in any manner.