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By NEAPS

National Stock Exchange of India Limited
“Exchange Plaza”,
Bandra-Kurla Complex, Bandra (E)
Mumbai-400051

Scrip Code: STERTOOLS

By Listing Centre

The Manager- Listing
BSE Limited
1st Floor, P. J. Towers
Dalal Street,
Mumbai – 400001

Security Code No. 530759

Date: 1st February 2023

Sub: Investor Presentation for Quarter (Q3) ending 31st December 2022

Dear Sir/Madam,

This is in continuation to our Letter dated 25th January 2023 and 27th January 2023 with respect to intimation of Schedule of Analyst/ Institutional Investor Meeting- Conference Call on 02nd February 2023 at 10:00 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 (Q3) ending on 31st December 2022 of the Company.

This is for your information and records.

Thanking you,

Yours faithfully,
For **Sterling Tools Limited**

PANKAJ
GUPTA

Pankaj Gupta
Chief Financial Officer

Encl: As Above

Digitally signed by PANKAJ GUPTA
DN: cn=B, st=Haryana,
2.5.4.20-91c2b62efc5e46f4102a643067e0b7c1788ba3c32052c
4875024ec557a3, postalCode=120018, street=MAXFIELD
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serialNumber=21079ebc175f1d62606567a453611c9c936a229e5a
09ad8fc22b2931c6d0, o=PANKAJ GUPTA

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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

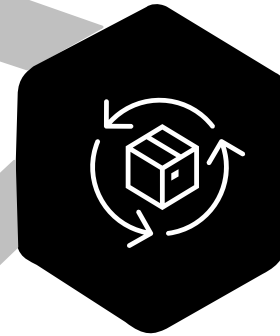


03



Manufacturing Facilities

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



02



Product Portfolio

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



04



Marquee Clientele

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

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



Vision



Mission



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

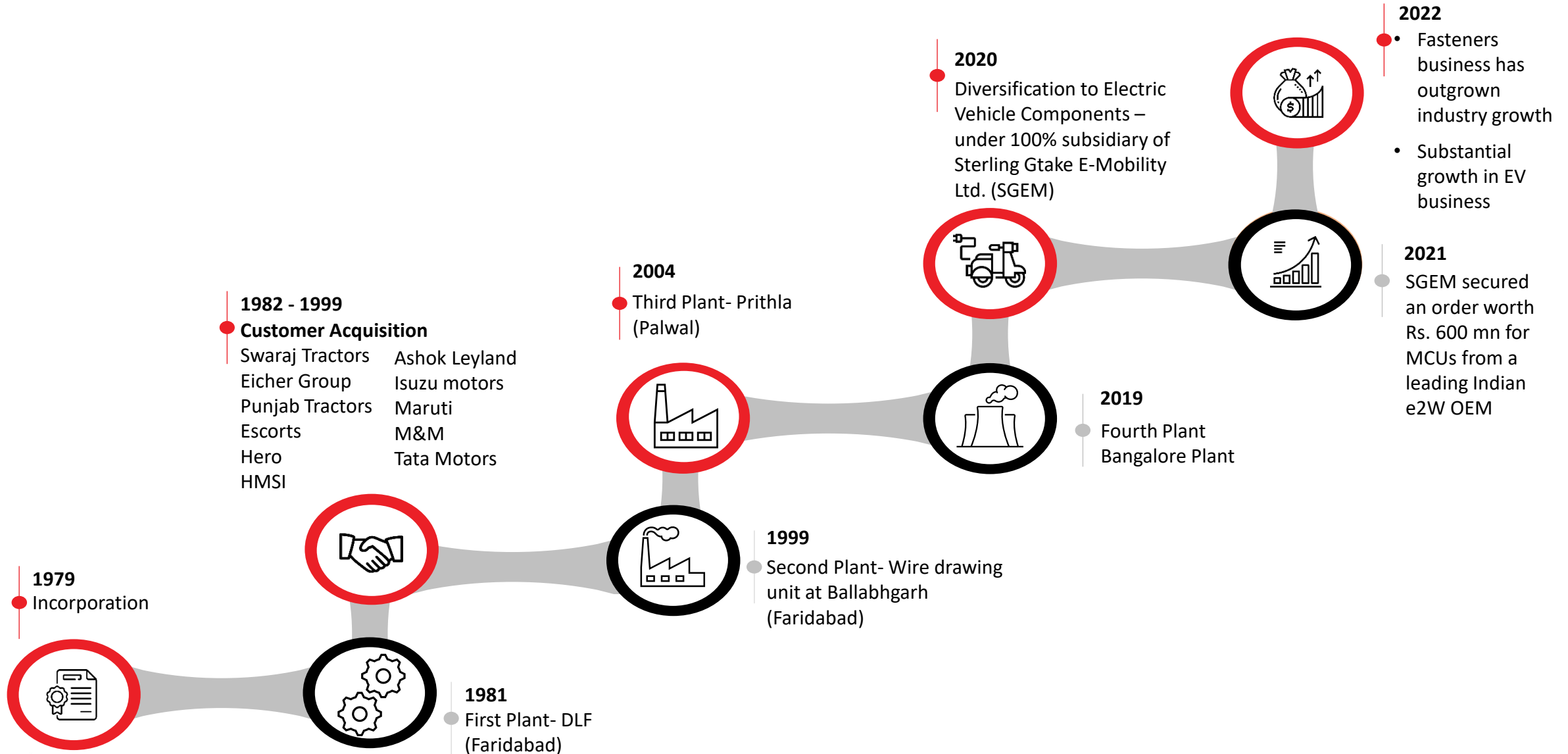
- STL is a premier producer of cold forged hi-tensile fasteners and supplies to all major auto OEMs
- State of the Art manufacturing facilities to provide reliable and high-quality products
- Diversified into multiple categories across Fasteners
- Long standing relationship with customers over the last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

ELECTRIC VEHICLE

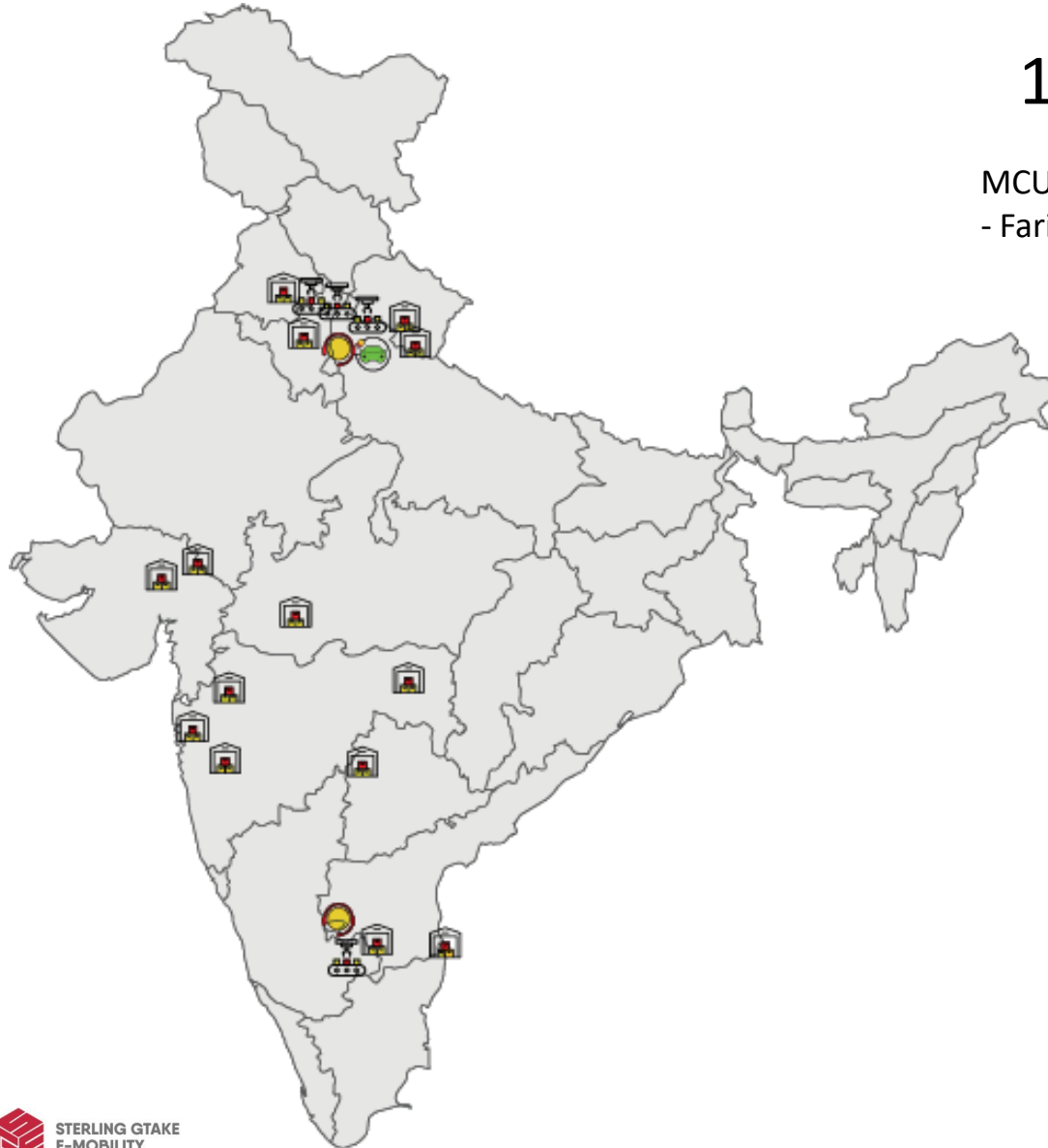


- Sterling Gtake E-mobility Limited (SGEM) is a 100% subsidiary of STL through strategic partnership between STL and Jiangsu Gtake of Shenzhen (China)
- EV is STL's new growth engine wherein the Company has entered into this partnership for manufacturing of Motor Control Units (MCUs)
- Strong Tech team 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**

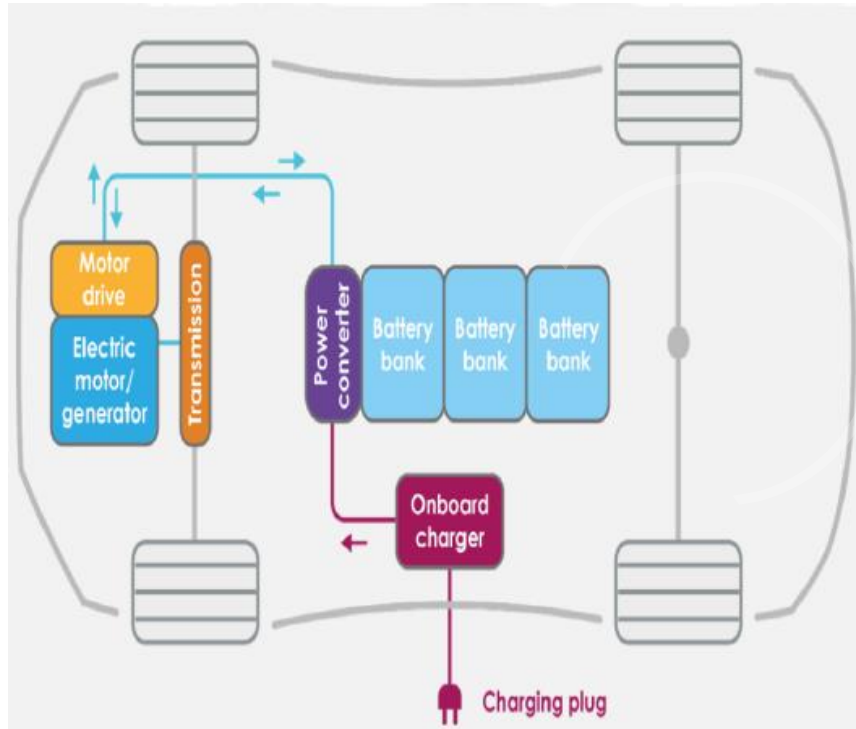


**American
Standards**



**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 convertors, 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

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

Aftermarket: Strong Pan-India presence with 100+ Distributors

MCUs (EV)

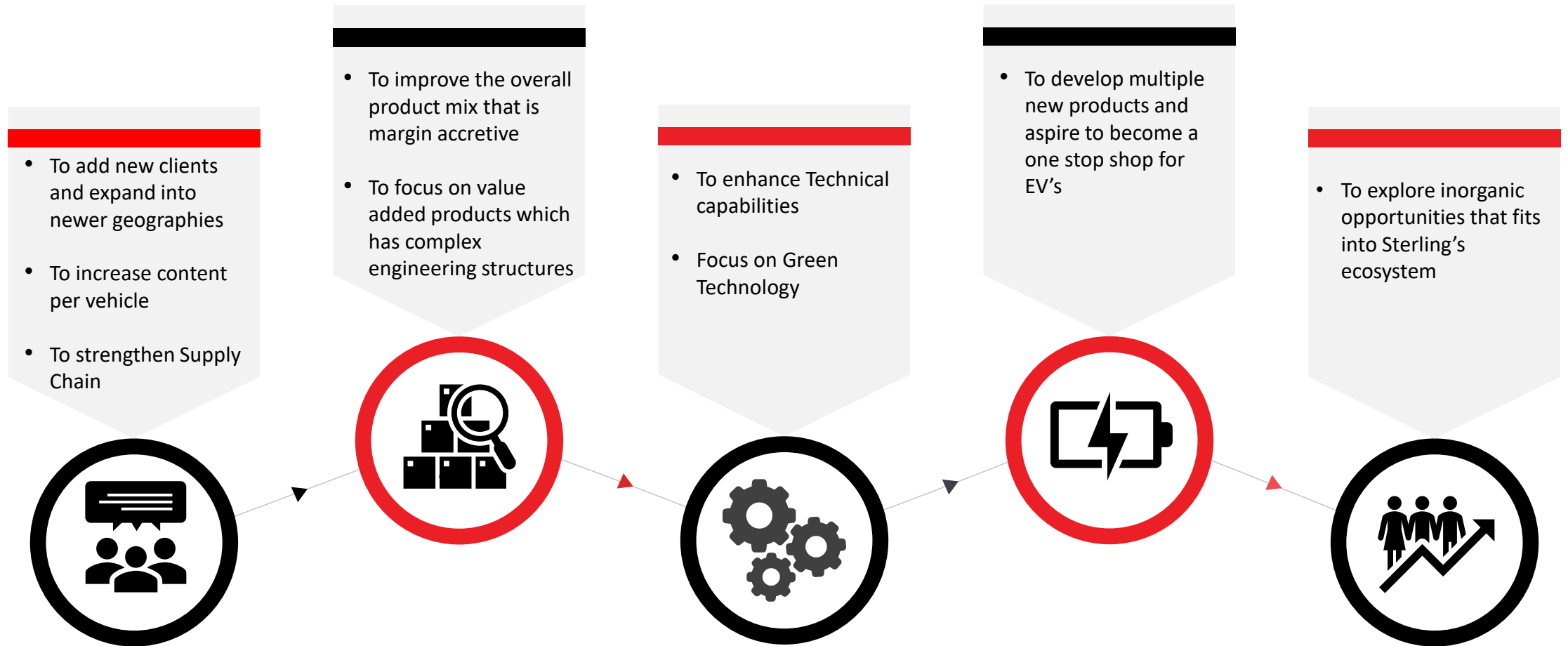
SGEM is the ***sole supplier*** of MCU's to India's largest EV 2 wheeler manufacturer

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

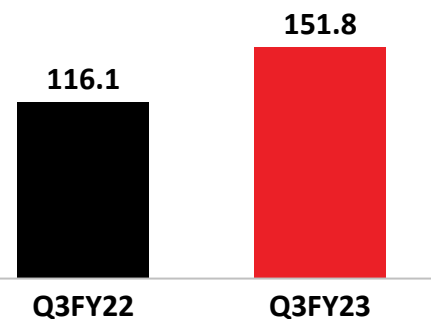
Source: SIAM, Industry Reports

Key Financial Highlights For Q3 & 9MFY23 - *Standalone*

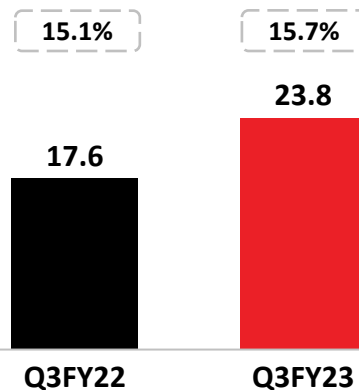
Rs. in Crs

Quarterly
Performance

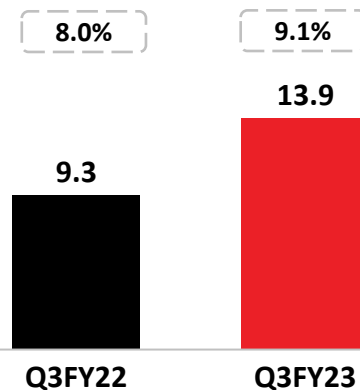
TOTAL INCOME



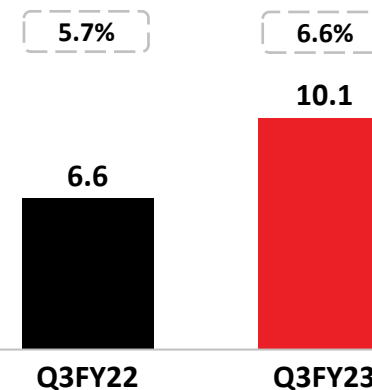
EBITDA



PBT

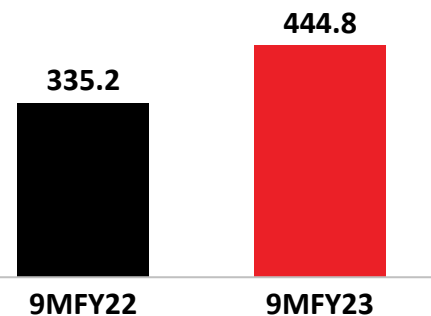


PAT

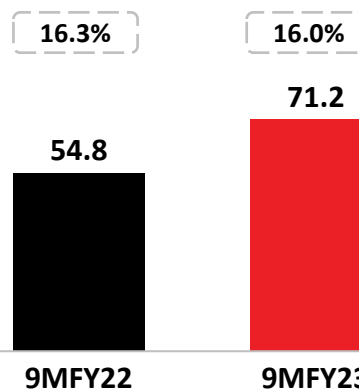


YTD FY23
Performance

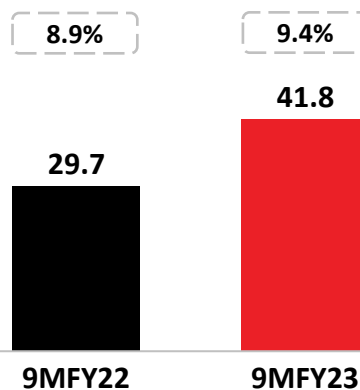
TOTAL INCOME



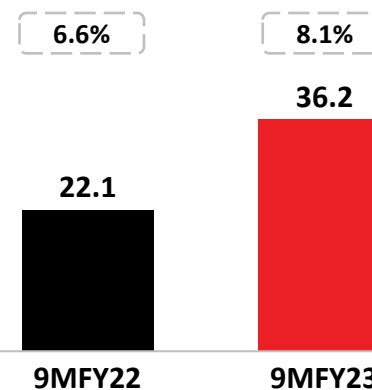
EBITDA



PBT*



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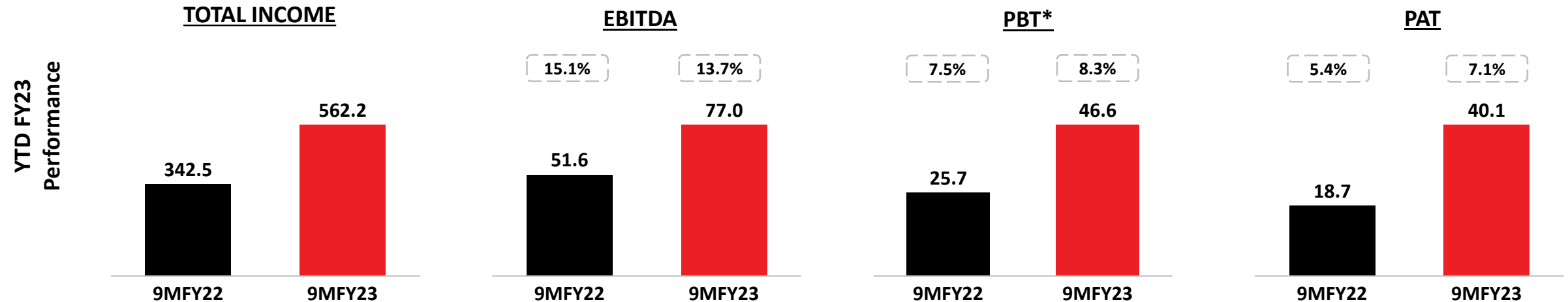
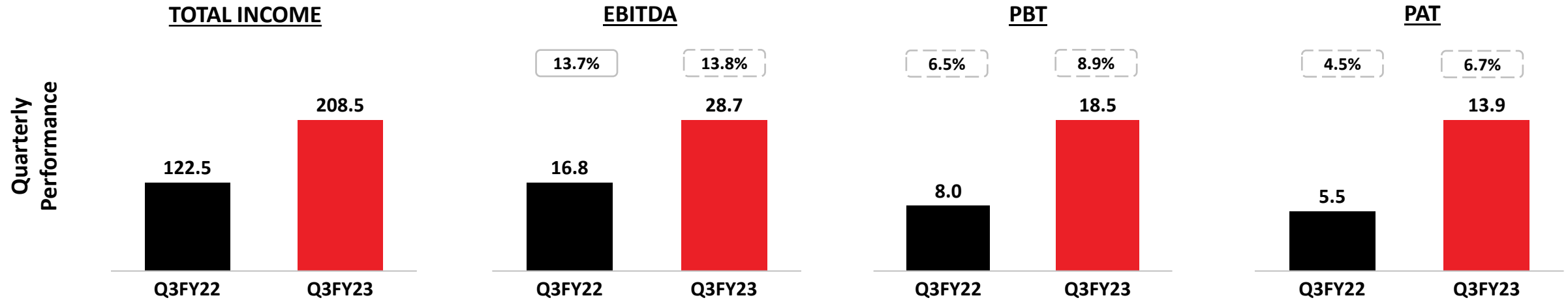


Margin

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

Key Financial Highlights For Q3 & 9MFY23 - Consolidated

Rs. in Crs



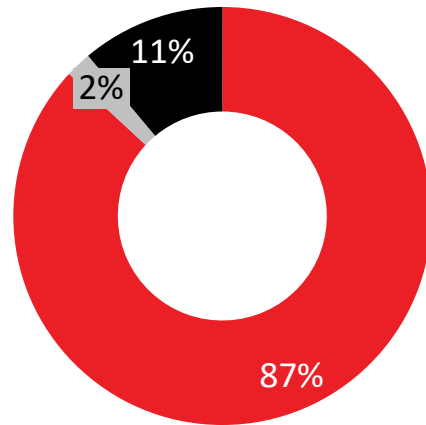
Margin

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

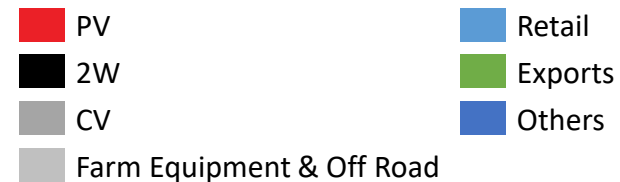
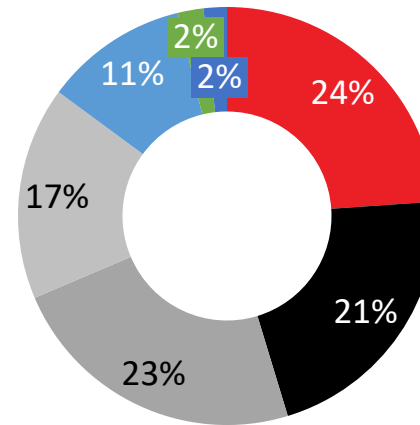
Well Diversified Revenue Mix

Fasteners Business

Channel-wise Mix – 9MFY23

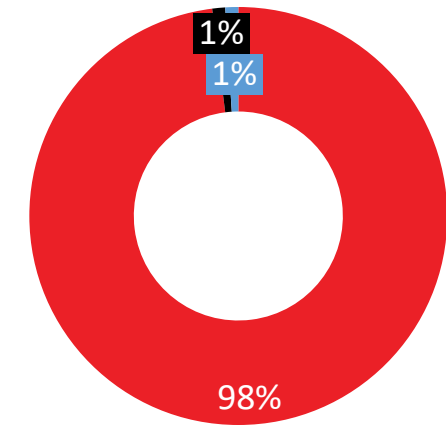


Segment-wise Mix – 9MFY23



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	

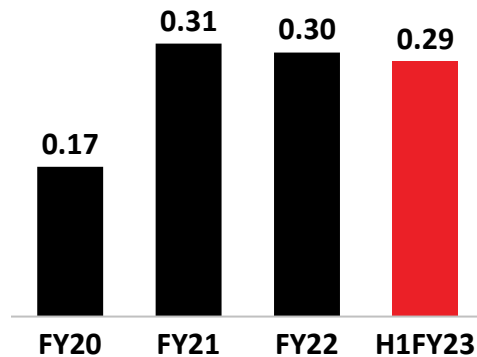
Historical Financials



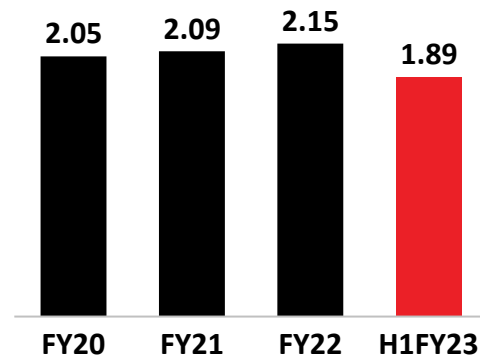
Key Ratios

Standalone

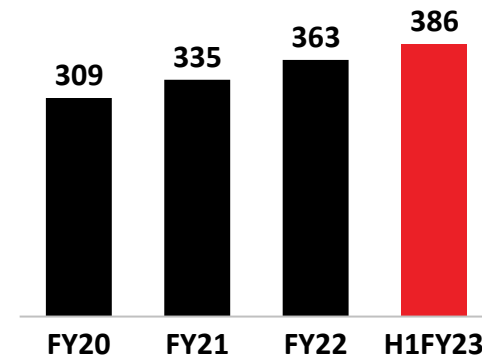
Debt / Equity (x)



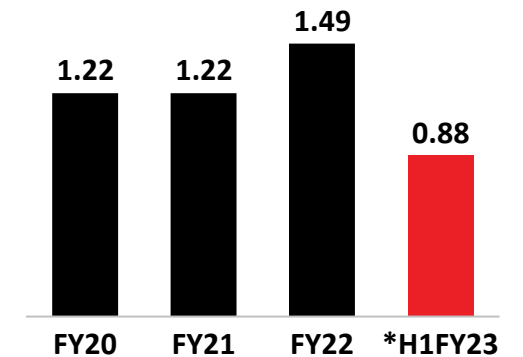
Current Ratio (x)



Networth (Rs Cr)

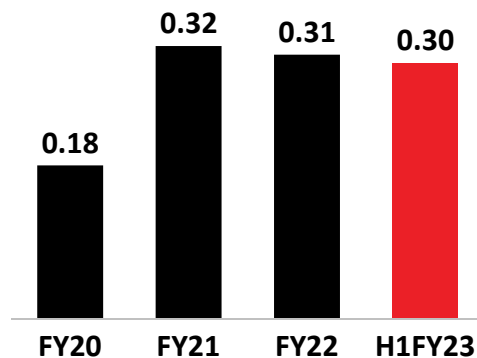


Fixed Asset Turnover (x)

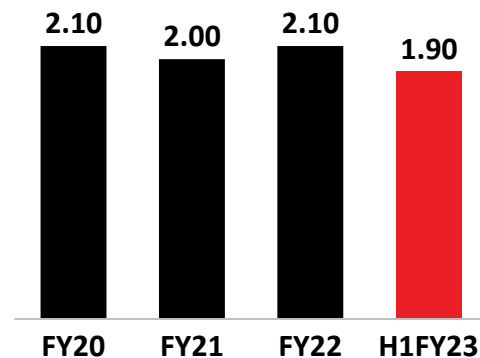


Consolidated

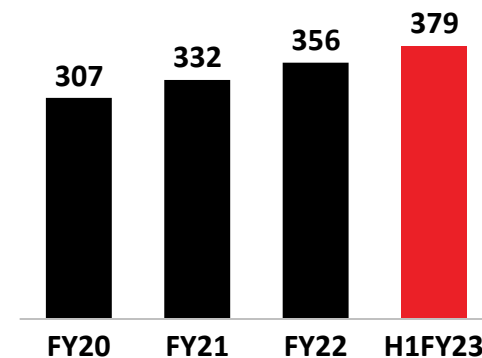
Debt / Equity (x)



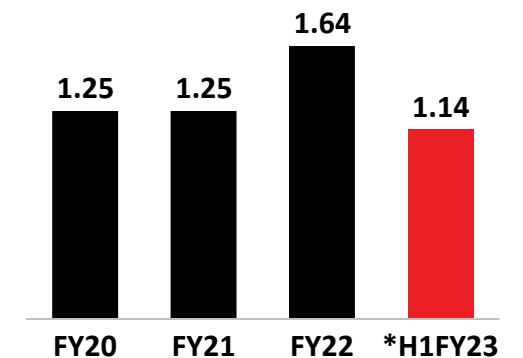
Current Ratio (x)







Networth (Rs Cr)



Fixed Asset Turnover (x)



Previous Annual Results

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

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Company :	Investor Relations Advisors :
<div data-bbox="364 554 512 743"></div> <p data-bbox="545 629 922 668"><u>Sterling Tools Limited</u></p> <p data-bbox="351 782 812 815">CIN: L29222DL1979PLC009668</p> <p data-bbox="351 882 1289 1053">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</p> <p data-bbox="351 1105 685 1138">www.stlfasteners.com</p>	<div data-bbox="1360 611 1819 682"></div> <p data-bbox="1360 782 1847 815">CIN: U74140MH2010PTC204285</p> <p data-bbox="1360 882 2104 1006">Mr. Karan Thakker / Mr. Aakash Mehta karan.thakker@sgapl.net / aakash.s.m@sgapl.net +91 81699 62562 / +91 98706 79263</p> <p data-bbox="1360 1105 1584 1138">www.sgapl.net</p>