

Harsha Engineers International Limited

Earnings Presentation – Quarter ended June'25

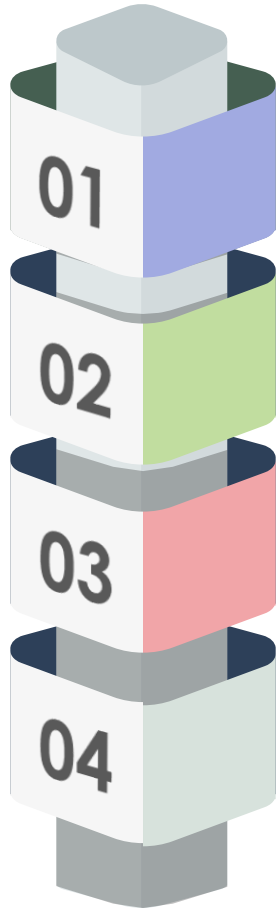


Disclaimer/ Safe Harbor

Cautionary statement regarding forward-looking statements



- This presentation may contain certain forward-looking statements relating to Harsha Engineers International Limited (“HEIL”, or “**Company**”) and its future business, development and economic performance. These statements include descriptions regarding the intent, belief or current expectations of the Company, its subsidiaries and associates and their respective directors and officers with respect to the results of operations and financial condition of the Company, subsidiary or associate, as the case may be. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to (1) competitive pressures; (2) legislative and regulatory developments; (3) global, macroeconomic and political trends; (4) fluctuations in currency exchange rates and general financial market conditions; (5) delay or inability in obtaining approvals from authorities; (6) technical developments; (7) litigation; (8) adverse publicity and news coverage, which could cause actual development and results to differ materially from the statements made in this presentation. Company assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise. Any forward-looking statements and projections made by third parties included in this presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.
- This presentation has been prepared by the Company based on information and data which the Company considers reliable, but 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.
- This presentation does not constitute a prospectus, offering circular or offering memorandum or an offer, or a solicitation of any offer, to purchase or sell, any shares and should not be considered as a recommendation that any investor should subscribe for or purchase any of company’s securities in any jurisdiction. Neither this presentation nor any other documentation or information (or any part thereof) delivered or supplied under or in relation to the shares shall be deemed to constitute an offer of or an invitation by or on behalf of company. 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 of company’s securities.
- HEIL assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events, or otherwise. Unless otherwise stated in this document, the information contained herein is based on management information and estimates. The information contained herein is subject to change without notice and past performance is not indicative of future results. HEIL may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such revision or changes.
- No person is authorized to give any information or to make any representation not contained in and not consistent with this presentation and, if given or made, such information or representation must not be relied upon as having been authorized by or on behalf of HEIL.
- This presentation and its contents are confidential and should not be distributed, published or reproduced, in whole or in part, or disclosed by recipients directly or indirectly to any other person.



Quarter and Year End Highlights

Business Update

Summary on use of IPO Proceeds

Company Overview



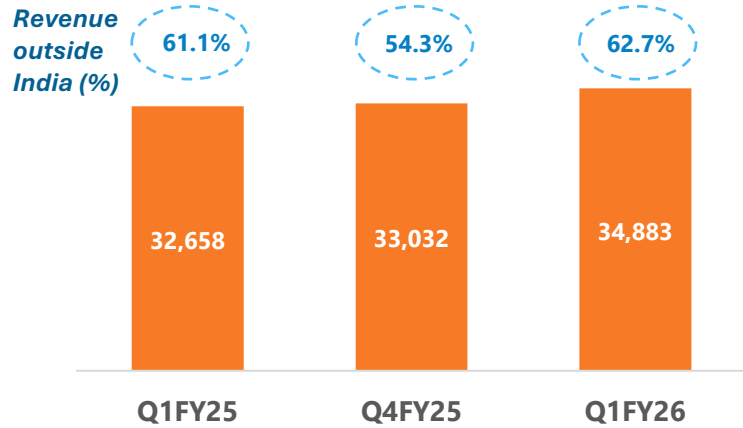
QUARTER END

HIGHLIGHTS

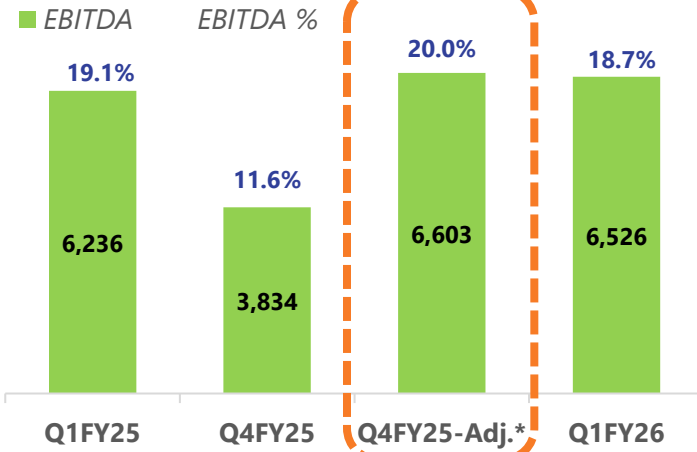


Financial Highlights - QoQ

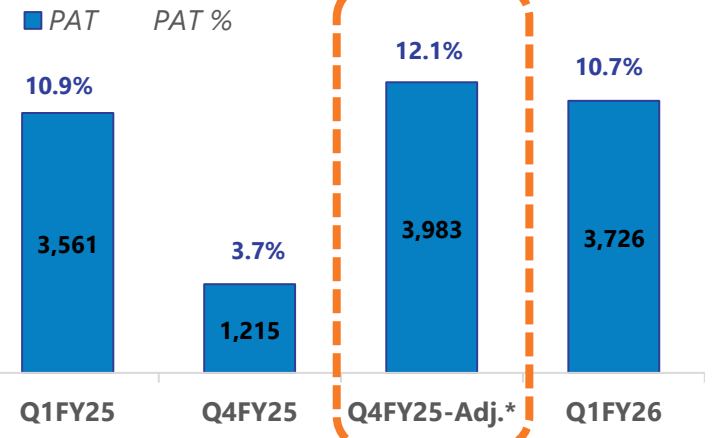
Revenue - Engineering CONSOLIDATED



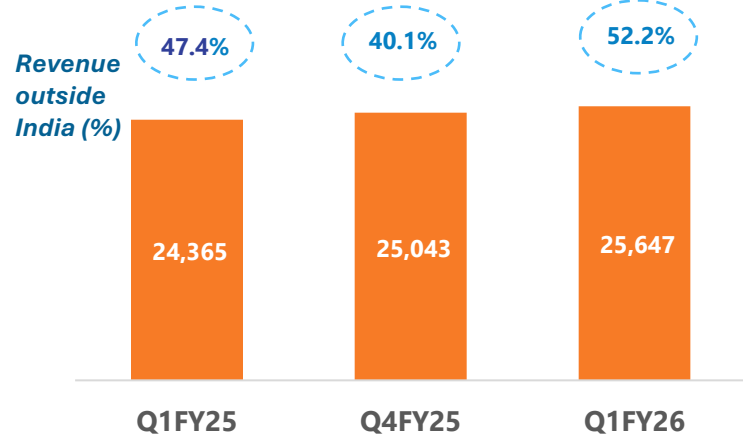
EBITDA - Engineering CONSOLIDATED



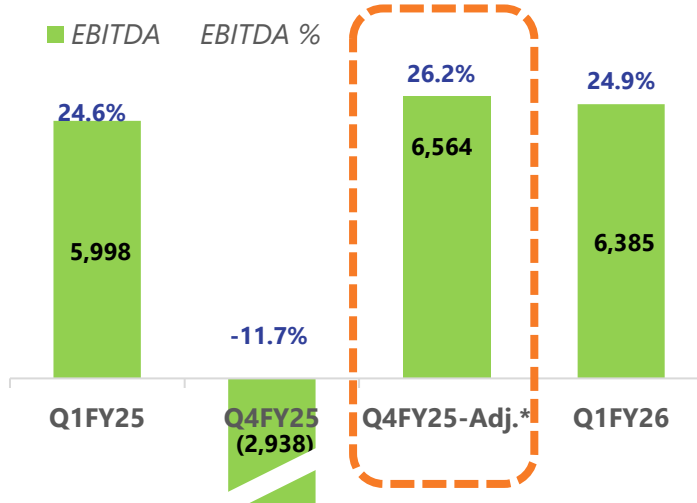
PAT - Engineering CONSOLIDATED



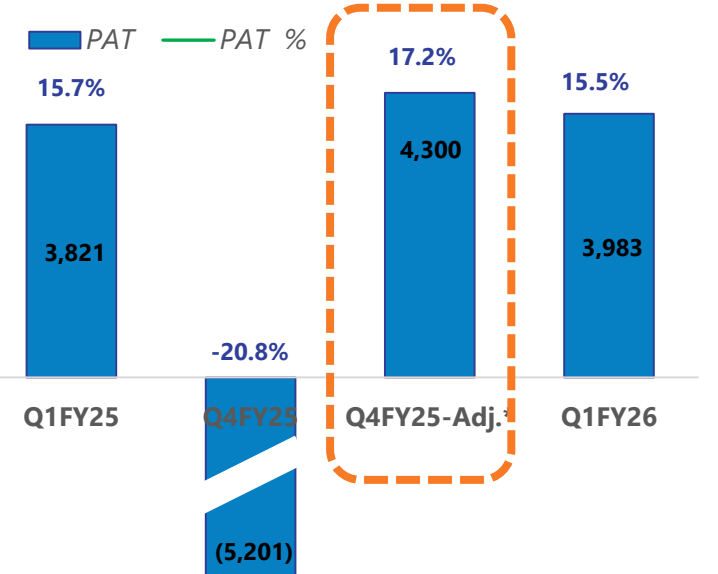
Revenue - Engineering INDIA



EBITDA - Engineering INDIA



PAT - Engineering INDIA



- Our India Engineering business (HEIL + HEAL) continues to show satisfactory performance with a growth of around 5% in top line and around 6.5% growth in Adj. EBITDA in Q1 FY 2026 over Q4 FY 2025. However, sequentially i.e. Q1 FY 2026 over Q4 FY 2025 the performance is more or less flat, again attributable to Q4 being generally the strongest quarter.
- HEAL Greenfield Bhayla Plant Phase-1 has commissioned with commercial production date being 26th June, 2025. However, since the plant has not scaled up, HEAL has reported with negative EBITDA and PAT mainly due to fixed overheads as well as interest and depreciation charges.
- Exports from India have started picking up – again signalling some early signs of revival in industrial demand particularly in Europe and China.
- The Bronze Bushing segment clocked sales of around Rs. 25 crores in Q1 FY 2026 and continues to enjoy strong positive tailwinds. Company has also signed the Agreement for Bushing with one of its multinational customer with revenue potential of around Rs. 117 Cr per annum.



- Harsha Romania has, for the first time in several quarters, reported a top line growth in Q1 FY 2026 of almost 18% over Q1 FY 2025, again signalling some revival of industrial demand in Europe. Harsha China also maintain its growth trajectory in top line.
- At consolidated level, the foreign subsidiaries have reported the combined loss primarily owing to continued negative EBITDA in Harsha Romania while Harsha China has shown growth in its bottom line.
- The Solar business top line in Q1 FY 2026 has remained flat as compared to Q1 FY 2025, but the EBITDA and PAT continue to be in the positive territory.



Consolidated P & L Statement

(₹ in Lakhs)

Particulars	Q1 FY26	Q4 FY25	Q1 FY25	FY24-25
REVENUE :				
Revenue from Operations	36,529	37,297	34,316	1,40,765
Other Income	1,073	1,103	790	3,773
TOTAL REVENUE	37,602	38,400	35,106	1,44,538
EXPENSES :				
Cost of Material Consumed	19,682	18,869	17,667	72,883
Change in Inventories of Finished Goods & Work-in-progress	(1,002)	1,311	(943)	985
COGS	18,680	20,180	16,724	73,868
Employee Benefits Expenses	5,069	4,559	4,639	18,155
Other Expenses	7,203	7,043	7,436	29,188
<i>Bad Debts Write Off / Net Sundry Balance write off</i>	34	1,999	-	2,060
<i>Exceptional Items</i>	-	2,768	-	2,768
EBITDA	6,616	1,851	6,307	18,499
Margin %	18.1%	5.0%	18.4%	13.1%
Finance Costs	257	146	256	877
Depreciation and Amortization Expense	1,053	986	1,021	4,054
PROFIT BEFORE TAXATION	5,306	719	5,030	13,568
Tax Expenses	1,513	958	1,425	4,637
PROFIT AFTER TAXATION	3,793	(239)	3,605	8,931
PAT Margin%	10.4%	-0.6%	10.5%	6.3%
Other comprehensive income	(475)	(119)	40	(229)
Basic Earnings per Share - In ₹	4.17	(0.26)	3.96	9.81
Diluted Earnings per Share-In ₹	4.17	(0.26)	3.96	9.81

EBITDA = Profit/ (Loss) Before Taxation+ Depreciation and Amortisation + Finance Cost

Certain Key Parameters and Break Up

(₹ in Lakhs)

Particulars	Q1 FY26	Q4 FY25	Q1 FY25	FY24-25
Revenue from Operations				
- Engineering & Others - Consolidated	34,883	33,032	32,658	1,26,885
- Engineering & Others - India	25,648	25,043	24,365	95,819
- Solar - EPC and O & M	1,646	4,265	1,658	13,880
Adj. EBITDA				
- Engineering & Others - Consolidated	6,526	6,603^	6,236	22,683^
- Engineering & Others - India	6,385	6,564^	5,998	22,399^
- Solar - EPC and O & M	90	27^^	71	655^^
Adj. PAT				
- Engineering & Others - Consolidated	3,726	3,983^	3,561	12,743^
- Engineering & Others - India	3,983	4,300^	3,821	14,161^
- Solar - EPC and O & M	67	50^^	44	505^^
Other Income				
- Interest Income	232	404	315	1,315
- Share of Profit/Loss from Cleanmax Harsha Solar LLP	24	(13)	11	29
- Share of Profit/Loss from Sunstream Green Energy One Pvt. Ltd.	-	-	-	-
- Gain / (Loss) on Exchange Rate Fluctuation	272	255	132	925
- Miscellaneous Income	57	14	12	43
- Gain / (Loss) on Sales of Investment in Subsidiary Co. /Associates	-	-	-	-
- Gain / (Loss) on Sale of Investment (Mutual Fund)	170	65	70	197
- Gain / (Loss) on Fair value of Investments (measured at FVTPL)	318	378	250	1,264
- Total Other Income	1,073	1,103	790	3,773

^ Adjusted for Exceptional Items - Rs, 2,768 lakhs (Consolidated) and Rs.9,501 lakhs (Standalone) for Impairment loss of subsidiary investment

^^Adjusted for Bad Debts Write off impact of Solar – EPC and O&M for Q4 FY25 and FY24-25

EBITDA = Profit/ (Loss) Before Taxation+ Depreciation and Amortisation + Finance Cost

Working Capital – Consolidated – Key Parameters

(₹ in Lakhs)

Sr.	Particulars	Q1 FY26	Q1 FY25	FY 24-25
1	Inventories			
a.	Raw Material - Amount	6,392	7,785	5,865
	No. of Days	16	21	15
b.	Semi Finished- Amount	2,752	2,707	2,381
	No. of Days	7	7	6
c.	Finished - Amount	12,498	12,831	11,348
	No. of Days	31	34	29
d.	Stores & Spares and Tooling - Amount	13,282	13,623	13,792
	No. of Days	33	36	36
2	Receivables - Amount	32,405	31,509	30,259
	No. of Days	81	84	78
3	Trade Creditors- Amount	11,709	10,751	14,673
	No. of Days	29	29	38

Utilisation of IPO Proceeds as on 30th Jun' 2025

₹ in Lakhs	
Particulars	Amount
Total IPO Proceeds	45,500
Less: IPO Expenses	(2,560)
Net Proceeds as per Prospectus	42,940
Less: IPO Expenses (excess contingencies hold)	-
Net Proceeds available	42,940

₹ in Lakhs				
Sr. No	Particulars	Amount as proposed in the Offer Document	Amount Utilised	Unutilised Amount
1	Pre-payment or scheduled repayment of a portion of the existing borrowing availed by the Company	27,000	27,000	-
2	Funding capital expenditure requirements towards purchase of machinery	7,795	7,351	444
3	Infrastructure repairs and renovation of our existing production facilities including office premises in India	712	712	-
4	General corporate purposes	7,433	7,433	-
Total		42,940	42,496	444

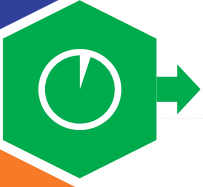


Company Overview

Harsha At A Glance



Largest manufacturer of precision bearing cages in India*



6.5% of the market share in the global organized bearing brass, steel and polyamide cages market^



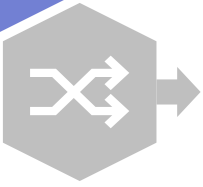
5 strategically located manufacturing facilities with various warehouses at different locations worldwide – supplying products to over 25 countries across 5 continents



Supplies products to each of the top 6 global bearing manufacturers^^



Capability to manufacture bearing cages with diameters between 20mm to 2,000mm with >7,500 products manufactured since incorporation



Diversifying into complex and specialized precision stamped components



50-60%
of domestic
market share



India



China



Romania

Schaffler AG
JTEKT

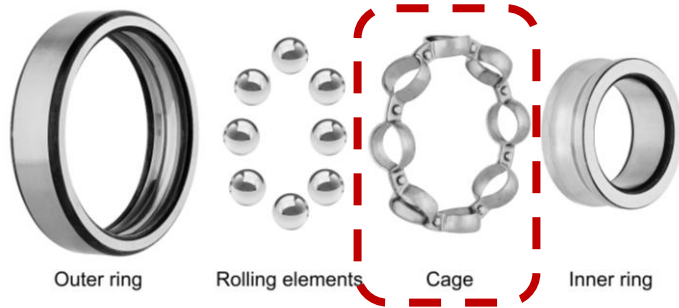
NTN
SKF

NSK
TIMKEN



Bearing cages | ~US\$5.2bn market expected to grow at ~6.4%

Bearing cages form an important component within Bearings



Bearing Cages are critical components requiring highest lead time, technical & tooling expertise



Separate rolling elements, reduce friction & heat generated in bearing



Keep the rolling elements evenly spaced optimizing load distribution on the bearing



Cages offer high rigidity, strength

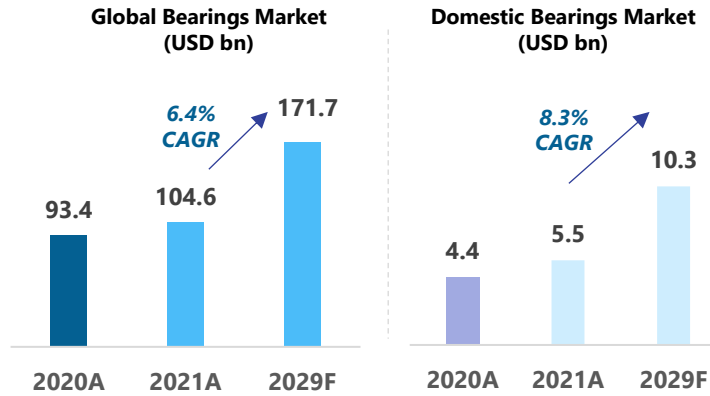


High heat resistant operating conditions



Small portion of total cost of bearing - The global bearing cages is estimated at about 5% of the global bearings market

Bearing cages have increasing usage across key fast-growing end user industries



Breakup of Bearing Market based on Application (USD bn)

Segment / Market Size	2022 F	2029 F	% share 2021	CAGR %
Automotive 	24.8	37.0	22.5%	5.8%
Aviation & Aero 	21.9	34.0	19.7%	6.5%
Railways 	19.5	30.9	17.6%	6.7%
Construction 	15.2	24.2	13.6%	6.8%
Mining 	12.3	19.3	11.1%	6.6%
Electronics 	10.0	15.5	9.0%	6.5%
Agriculture 	6.2	9.5	5.6%	6.3%

High growth bearing cages market

Global Bearing Cages Market (USD mn)



India market is expected to grow at a **CAGR of 8.3% during 2021 to 2029.**



Supplies to each of the top 6 global bearing manufactures



Global bearing companies have **steadily increased outsourcing** manufacture of bearing cages



Given the **complexity of bearing cages production**, customers prefer continuing with **reliable vendors** for a long period for **consistency of quality**

Different designs of bearing cages with diverse applications



Taper Roller



Deep Grove



Angular Contact Ball



Thrust Roller



Spherical Roller



Cylindrical Roller



Sand Casting



Bronze Bushing



Precision Stamping Components

- ✓ Railways
- ✓ Industrial machines
- ✓ Pumps
- ✓ Compressors
- ✓ OEMs
- ✓ Engine applications

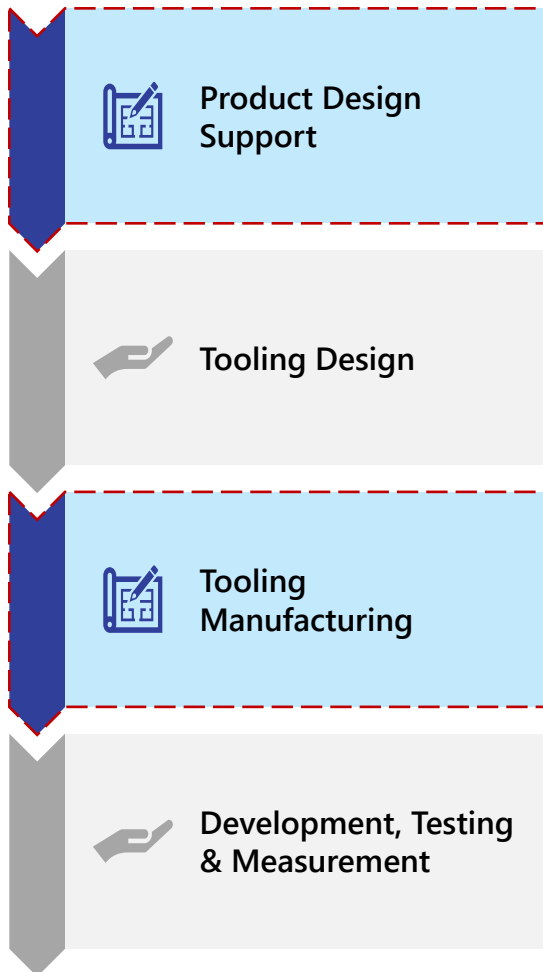
- ✓ Crushers
- ✓ Steel mills
- ✓ Thermal turbines
- ✓ Windmills
- ✓ Agricultural machines
- ✓ Automotive parts

- ✓ Chemical machinery
- ✓ Utilities
- ✓ White appliances
- ✓ Chemical machinery
- ✓ General industries
- ✓ Blowout preventers

- ✓ Extruders
- ✓ Gearboxes
- ✓ Offshore drilling
- ✓ Oil rigs
- ✓ Traction motors for railways

- ✓ Railway Seal
- ✓ AC Compressor Head
- ✓ Bronze Bushing for Wind Gear Box
- ✓ Chassis Parts
- ✓ Engine Drive
- ✓ Clutch Components
- ✓ Gear Shifter Assembly Parts

Full-service capabilities under one roof



Tooling Design

- Expertise to design and develop **advance tooling** inhouse which enables HEIL to manufacture **precision products**
- Engaged with customers to in product development process from **design stage**

Tool Manufacturing

- Comprehensive tooling, testing and measurement infrastructure
- **Dedicated tool production facilities** at Changodar have strengthened HEILs ability to meet customer demands

Process Design & automation

- **Decades of experience** – technologically driven manufacturing process enables HEIL to provide solutions in a **cost-effective manner**
- In-house automation has helped to **optimize O&M expenses, reduce production cycle time** and **minimize capex**
- *Indigenously designed vision camera system detects defects that are not possible to detect with naked eye*

Product Development

- Expertise in product development - product development cell and innovation centre



Key Strategies going forward



Enhance market leadership in bearing cages and customer base expansion



Growing bronze bushings and specialised component segment



Increased focus on developing products suited to capture market opportunity in the growing EV segment



Retain and strengthen technological leadership through continued focus on development and automation



Focus on growth by partnerships with customers and opportunistic inorganic acquisitions



Focus on increasing operational efficiencies to improve returns



THANK YOU

