

# Harsha Engineers International Limited

Earnings Presentation – Quarter and year ended Mar'25

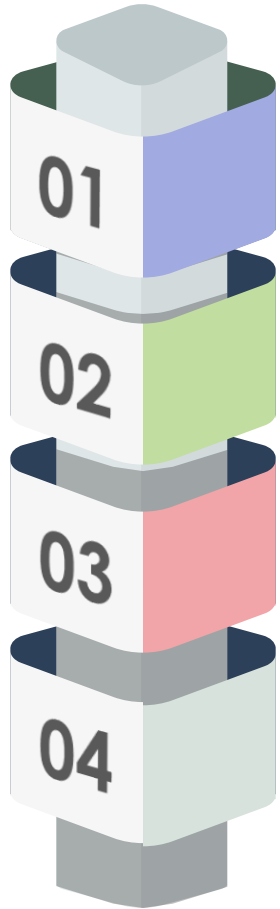


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**Quarter and Year End Highlights**

**Business Update**

**Summary on use of IPO Proceeds**

**Company Overview**



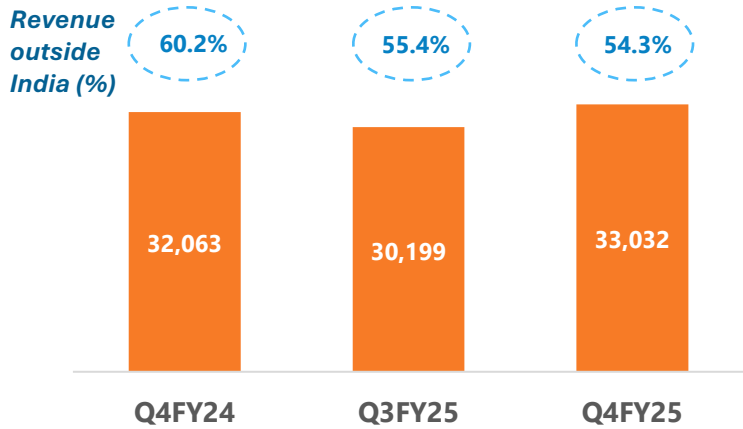
# QUARTER AND YEAR END HIGHLIGHTS



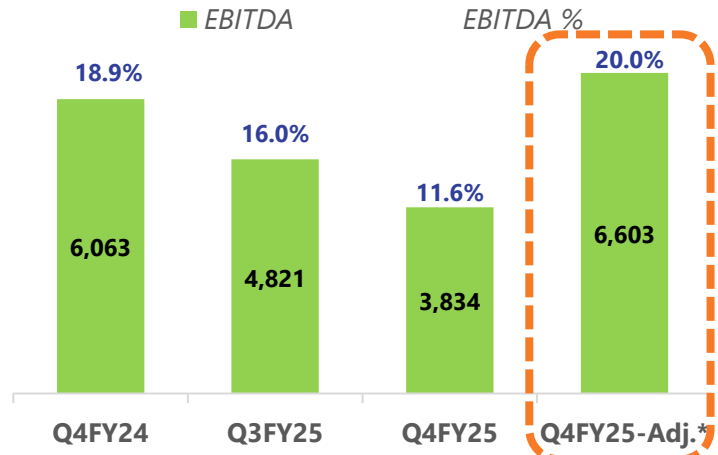
# Financial Highlights - QoQ

₹ in Lakhs

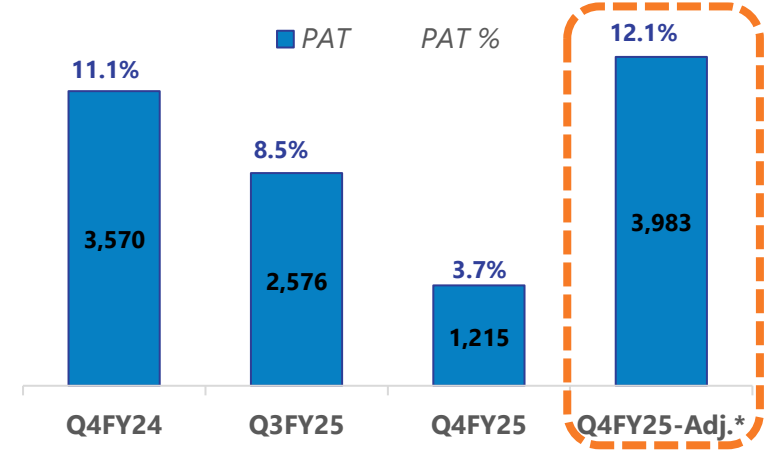
## Revenue - Engineering CONSOLIDATED



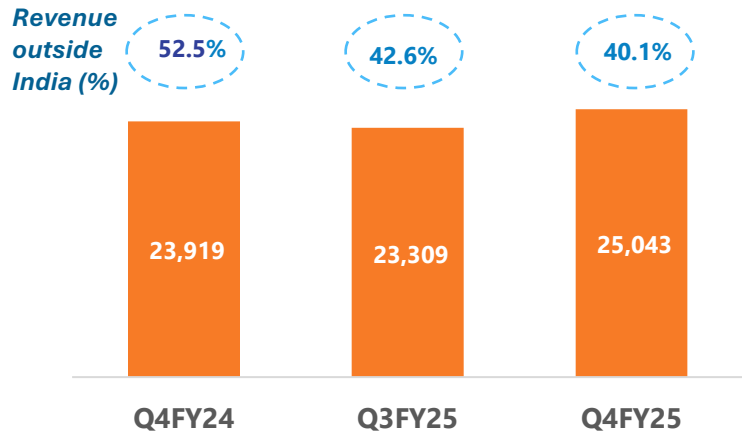
## EBITDA - Engineering CONSOLIDATED



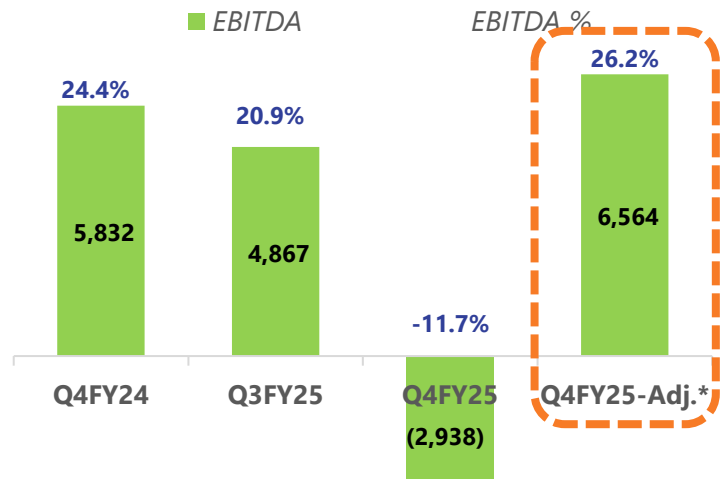
## PAT - Engineering CONSOLIDATED



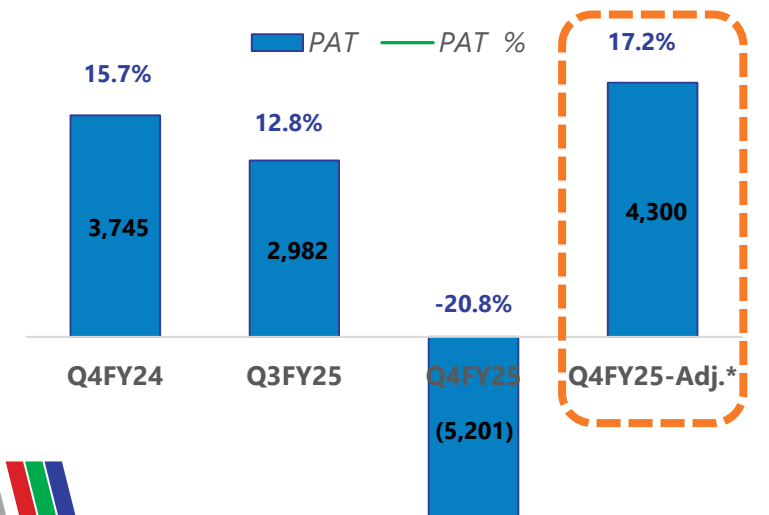
## Revenue - Engineering INDIA



## EBITDA - Engineering INDIA



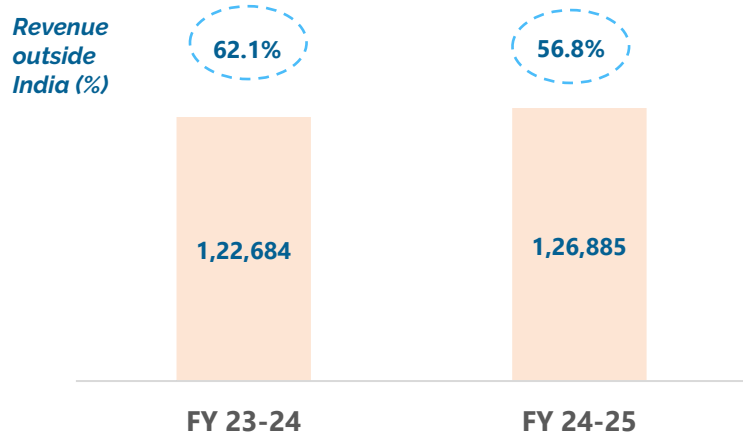
## PAT - Engineering INDIA



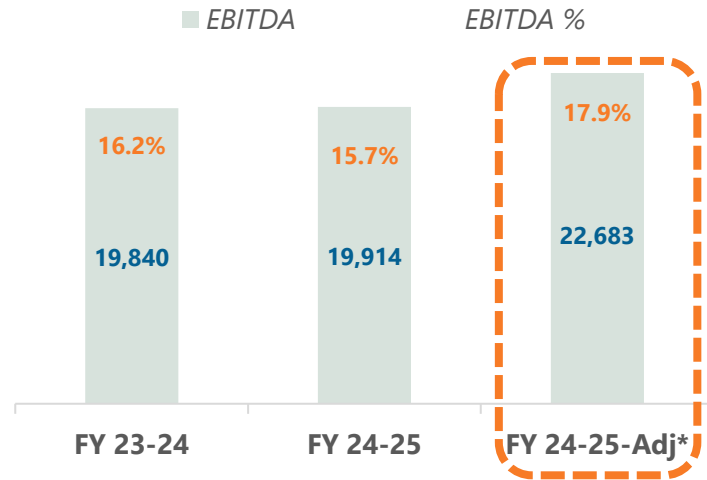
EBITDA = Profit/ (Loss) Before Taxation+ Depreciation and Amortisation + Finance Cost  
 \*Adjusted for Exceptional Items - Rs, 2,768 lakhs (Consolidated) and Rs.9,501 lakhs (Standalone) for Impairment loss of subsidiary investment

# Financial Highlights - YoY

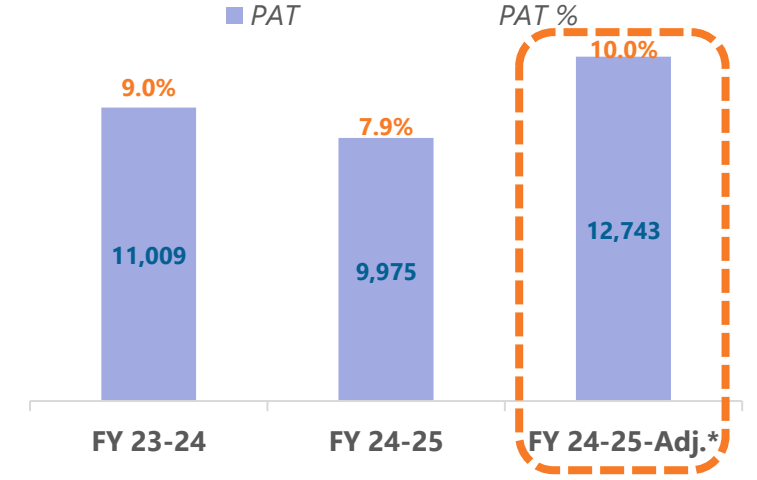
## Revenue - Engineering CONSOLIDATED



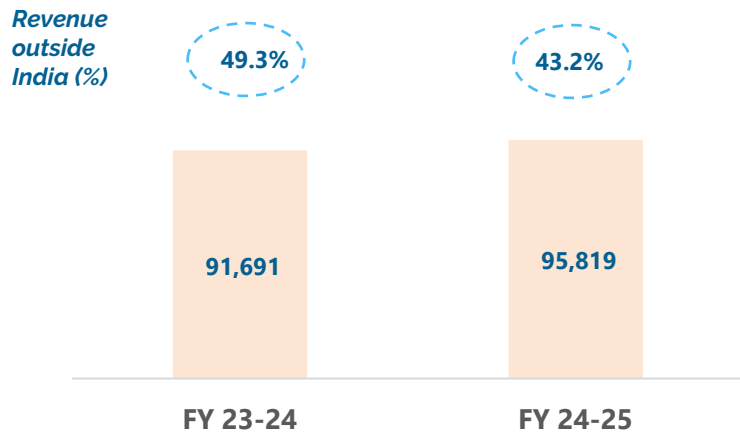
## EBITDA - Engineering CONSOLIDATED



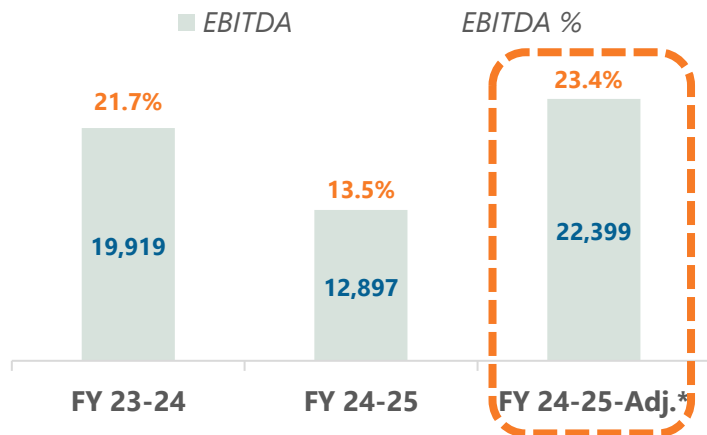
## PAT - Engineering CONSOLIDATED



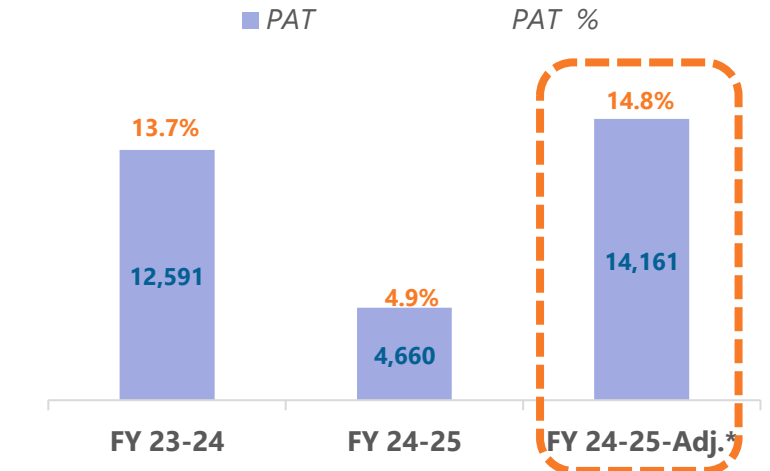
## Revenue - Engineering INDIA



## EBITDA - Engineering INDIA



## PAT - Engineering INDIA



- While the revenue from operations on QOQ as well as YOY basis are flat, the company has achieved a consolidated revenue growth of 10% in Q4 over Q3 reflecting the past trend of Q4 being one of the strongest quarters.
- On a consolidated basis the company has posted a strong adjusted EBITDA growth of 6.4% on a QOQ basis and 16.2% on YOY basis; an adjusted PAT growth of 9.6% on QOQ basis and 19% on YOY basis.
- While Harsha India Engineering business posted a modest top line growth of 4.5% on YOY basis, it has posted a strong adjusted EBITDA growth of 12.4% on YOY basis and an adjusted PAT growth of 12.5% on YOY basis.
- The Bronze Bushing segment clocked sales of Rs.102 crores in FY 2025 as against around Rs.40 crores achieved in FY 2024, exceeding our targets.
- Sales of Stampings stood at around Rs.54 crores in FY 2025 as against Rs.50 crores in FY 2024.
- The sales to Japan based customers stood at around Rs.65 crores whereas sales of large sized bearing cages stood at around Rs.43 crores – the sales in these two segments remained more or less flat in FY 2025, but are expected to gain traction in FY 2026.

- The Solar business sales in Q4 shows a de-growth of around 28% on a QOQ basis and a de-growth of around 16% on YOY basis- which is largely attributable to the completion pattern of various projects undertaken in this division. However, in spite of the provision of ECL and substantial bad debt written off, this division has still posted a significant growth in EBITDA and PAT margins on YOY basis. Going forward this division continues to have the benefit of strong Tailwinds.
- Harsha Romania continues to face strong headwinds which has reflected a YOY de-growth of around 8% in the top line. This division has continued to post losses at EBITDA level. However, Harsha China has reported satisfactory performance in Q4 and FY 2025 resulting into a positive EBITDA and PAT contribution of Rs.12.03 crores and Rs.2.92 crores respectively in FY 2025 partly offsetting the losses faced in Romania.
- The New product Development activity continues to be strong- with around 450 nos. new SKUs developed in FY 2025.
- The First phase of the new Bhayla Greenfield Facility of Harsh Advantek is expected to be commissioned in next few weeks.
- Total capex incurred in FY 2025 IS Rs 209 crores and targeted Capex in FY 2026 is Rs.165 crores.



# Consolidated P & L Statement

(₹ in Lakhs)

Particulars	Q4 FY25	Q3 FY25	Q4 FY24	FY24-25	FY23-24
<b>REVENUE :</b>					
Revenue from Operations	37,297	33,894	38,040	140,765	139,230
Other Income	1,103	672	775	3,773	2,949
<b>TOTAL REVENUE</b>	<b>38,400</b>	<b>34,566</b>	<b>38,815</b>	<b>144,538</b>	<b>142,179</b>
<b>EXPENSES :</b>					
Cost of Material Consumed	18,869	18,249	21,863	72,883	77,905
Change in Inventories of Finished Goods & Work-in-progress	1,311	(16)	(597)	985	(181)
COGS	20,180	18,233	21,266	73,868	77,724
Employee Benefits Expenses	4,559	4,413	4,287	18,155	16,905
Other Expenses	7,043	6,970	6,802	29,188	27,215
<i>Bad Debts Write Off / Net Sundry Balance write off</i>	1,999	1	231	2,060	251
<i>Exceptional Items</i>	2,768	-	-	2,768	-
<b>EBITDA</b>	<b>1,851</b>	<b>4,949</b>	<b>6,229</b>	<b>18,499</b>	<b>20,084</b>
<b>Margin %</b>	<b>5.0%</b>	<b>14.6%</b>	<b>16.4%</b>	<b>13.1%</b>	<b>14.4%</b>
Finance Costs	146	213	283	877	1,077
Depreciation and Amortization Expense	986	1,008	998	4,054	3,932
<b>PROFIT BEFORE TAXATION</b>	<b>719</b>	<b>3,728</b>	<b>4,948</b>	<b>13,568</b>	<b>15,075</b>
<b>Tax Expenses</b>	958	1,059	1,270	4,637	3,932
<b>PROFIT AFTER TAXATION</b>	<b>(239)</b>	<b>2,669</b>	<b>3,678</b>	<b>8,931</b>	<b>11,143</b>
<b>PAT Margin%</b>	<b>-0.6%</b>	<b>7.9%</b>	<b>9.7%</b>	<b>6.3%</b>	<b>8.0%</b>
Other comprehensive income	(119)	229	148	(229)	400
Basic Earnings per Share - In ₹	(0.26)	2.93	4.04	9.81	12.24
Diluted Earnings per Share-In ₹	(0.26)	2.93	4.04	9.81	12.24

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

# Certain Key Parameters and Break Up

(₹ in Lakhs)					
Particulars	Q4 FY25	Q3 FY25	Q4 FY24	FY 24-25	FY 23-24
<b>Revenue from Operations</b>					
- Engineering & Others - Consolidated	33,032	30,199	32,063	1,26,885	1,22,684
- Engineering & Others - India	25,043	23,309	23,919	95,819	91,691
- Solar - EPC and O & M	4,265	3,695	5,977	13,880	16,546
<b>Adj. EBITDA</b>					
- Engineering & Others - Consolidated <sup>^</sup>	6,603	4,821	6,063	22,683	19,840
- Engineering & Others - India <sup>^</sup>	6,564	4,867	5,832	22,399	19,919
- Solar - EPC and O & M <sup>^^</sup>	27	128	166	655	244
<b>Adj. PAT</b>					
- Engineering & Others - Consolidated <sup>^</sup>	3,983	2,576	3,570	12,743	11,009
- Engineering & Others - India <sup>^</sup>	4,300	2,982	3,745	14,161	12,591
- Solar - EPC and O & M <sup>^^</sup>	50	93	108	505	134
<b>Other Income</b>					
- Interest Income	404	327	305	1,315	1,484
- Share of Profit/Loss from Cleanmax Harsha Solar LLP	(13)	27	(21)	29	29
- Share of Profit/Loss from Sunstream Green Energy One Pvt. Ltd.	-	-	1	-	-
- Gain / (Loss) on Exchange Rate Fluctuation	255	(35)	128	925	234
- Miscellaneous Income	14	18	12	43	79
- Gain / (Loss) on Sales of Investment in Subsidiary Co. /Associates	-	-	(1)	-	(1)
- Gain / (Loss) on Sale of Investment (Mutual Fund)	65	25	18	197	292
- Gain / (Loss) on Fair value of Investments (measured at FVTPL)	378	310	333	1,264	832
<b>- Total Other Income</b>	<b>1,103</b>	<b>672</b>	<b>775</b>	<b>3,773</b>	<b>2,949</b>

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

<sup>^^</sup> 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	FY 24-25	Q3 FY25	Q2 FY25	Q1 FY25	FY 23-24
<b>1</b>	<b>Inventories</b>					
a.	Raw Material - Amount	5,865	6,259	7,583	7,785	7,154
	No. of Days	15	17	20	21	19
b.	Semi Finished- Amount	2,381	2,960	2,273	2,707	2,061
	No. of Days	6	8	6	7	5
c.	Finished - Amount	11,348	11,684	12,599	12,831	12,793
	No. of Days	29	31	33	34	34
d.	Stores & Spares and Tooling - Amount	13,792	14,163	14,095	13,623	13,358
	No. of Days	36	37	37	36	35
<b>2</b>	<b>Receivables - Amount</b>	30,198	30,473	31,028	31,509	31,893
	No. of Days	78	81	81	84	84
<b>3</b>	<b>Trade Creditors- Amount</b>	14,670	11,129	9,861	10,751	13,293
	No. of Days	38	29	26	29	35

# Utilisation of IPO Proceeds as on 31<sup>st</sup> March' 2025

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

<i>₹ in Lakhs</i>				
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	6,822	973
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	-
	<b>Total</b>	<b>42,940</b>	<b>41,967</b>	<b>973</b>



# Company Overview



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^



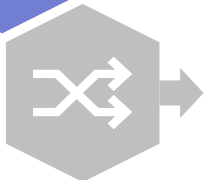
5 strategically located manufacturing facilities with various warehouses at different locations worldwide – supplying products to over 25 countries across 5 continents



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

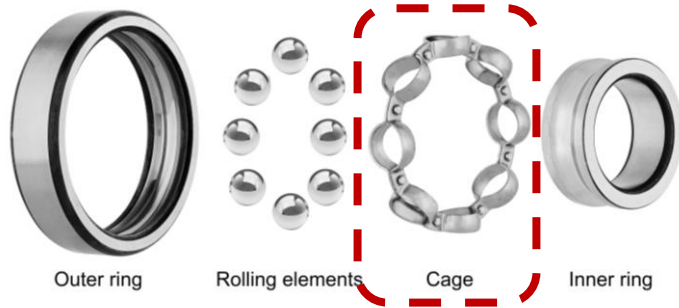
NTN  
SKF

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

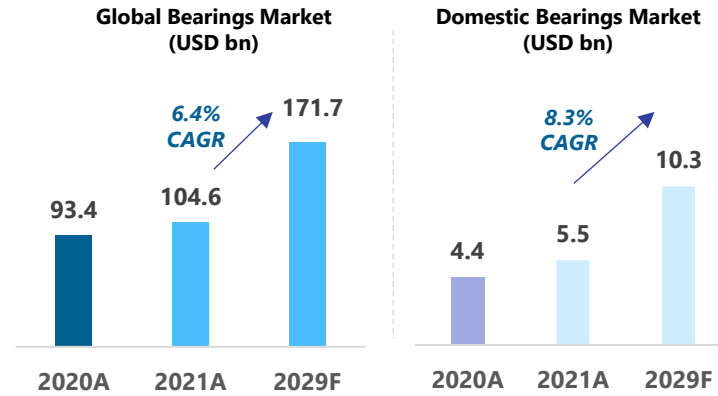


High heat resistant operating conditions



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 Groove**



**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*

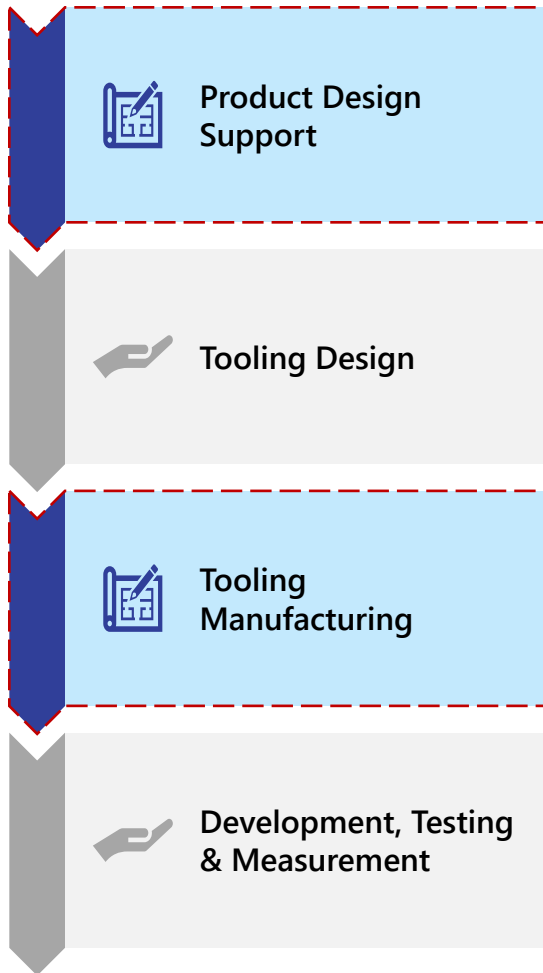
- ✓ *Chemical machinery*
- ✓ *Utilities*
- ✓ *White appliances*
- ✓ *Chemical machinery*
- ✓ *General industries*
- ✓ *Blowout preventers*

- ✓ *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**



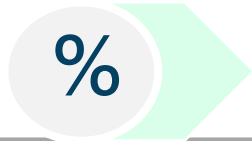
**Increased focus on developing products suited to capture market opportunity in the growing EV segment**



**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

