Harsha Engineers International Limited

Earnings Presentation – FOR Q2/H1 FOR FY27



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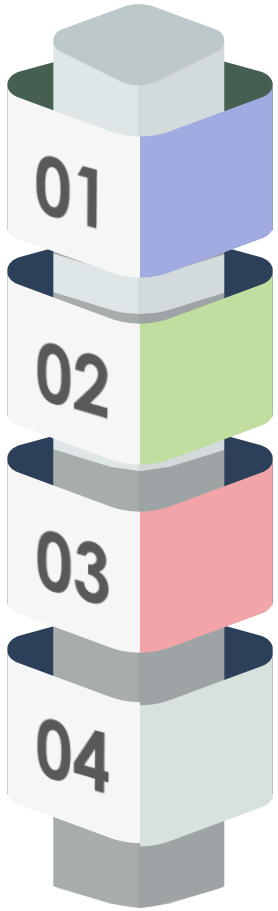
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Index



Quarter and Year End Highlights

Business Update

Summary on use of IPO Proceeds

Company Overview



QUARTER END

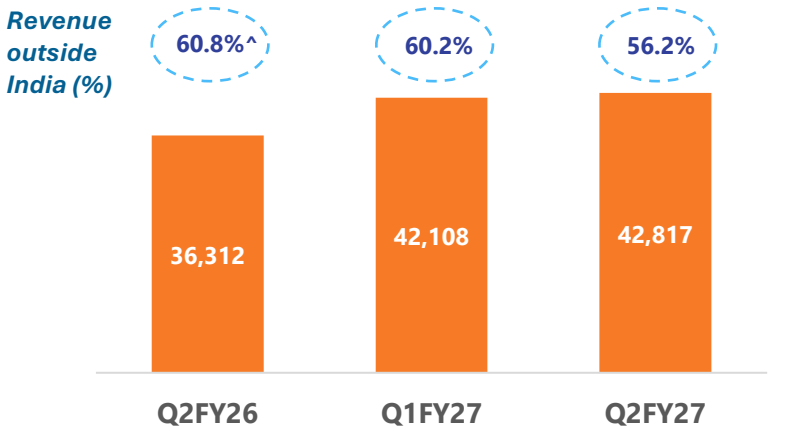
HIGHLIGHTS



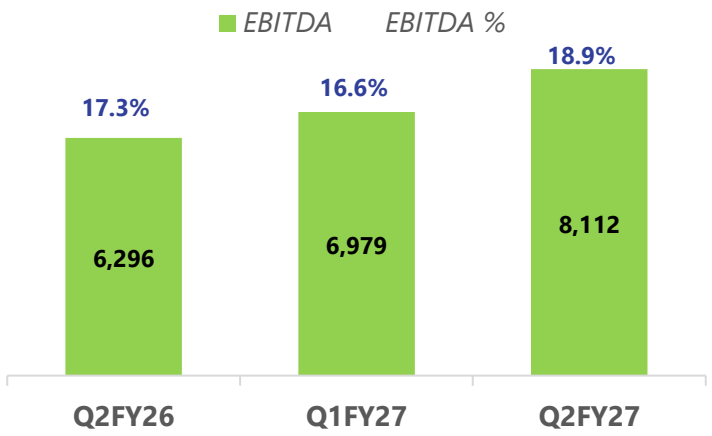
Financial Highlights - QoQ

₹ in Lakhs

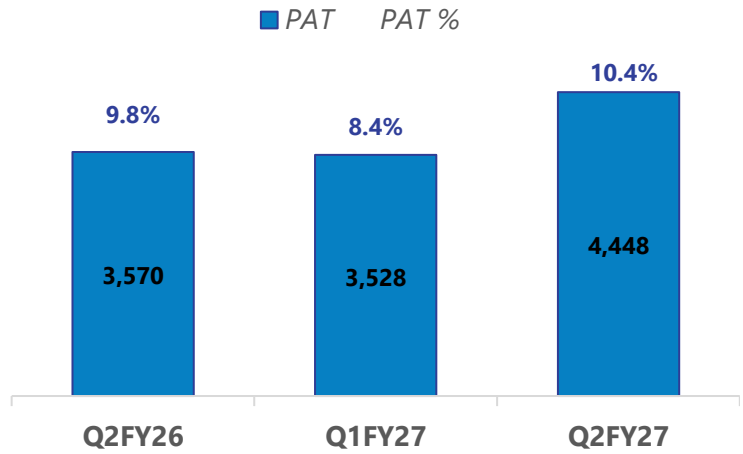
Revenue - Engineering CONSOLIDATED



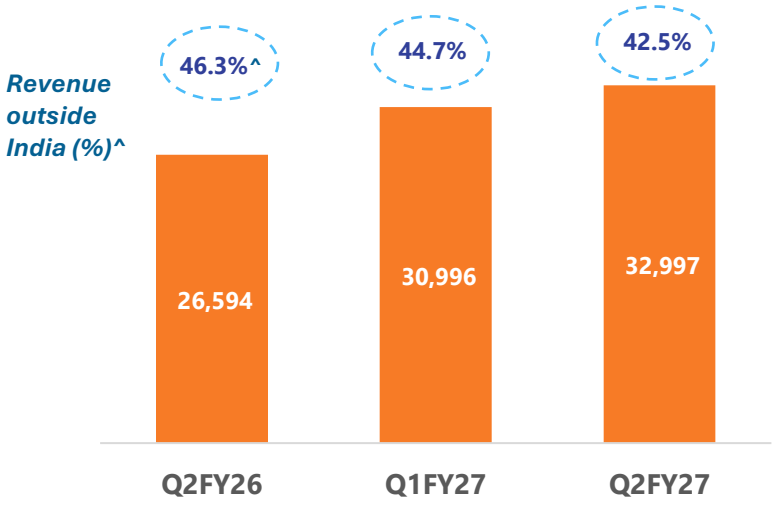
EBITDA - Engineering CONSOLIDATED



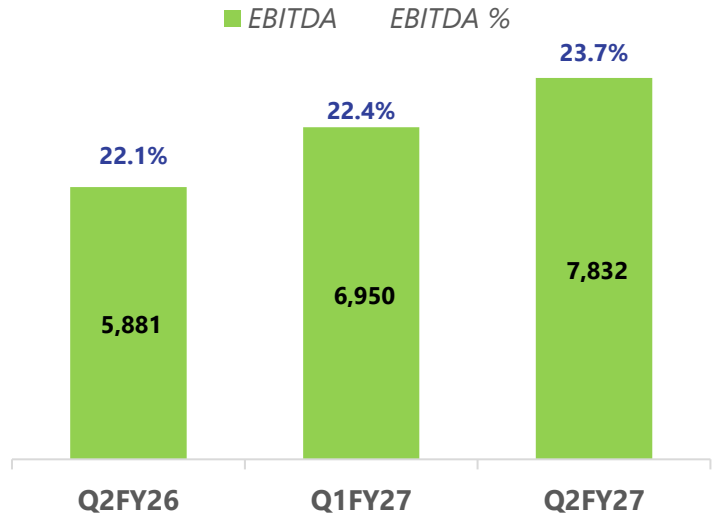
PAT - Engineering CONSOLIDATED



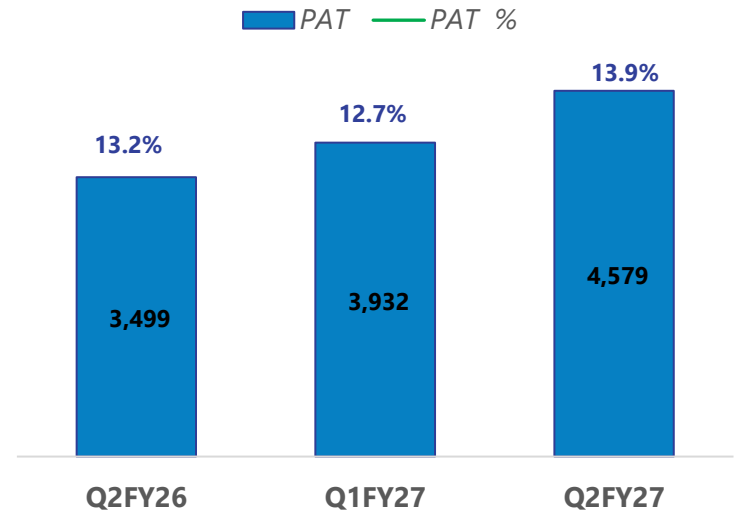
Revenue - Engineering INDIA



EBITDA - Engineering INDIA



PAT - Engineering INDIA



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

^ Restated

Business Update

The consolidated revenues in Q2 / H1 FY 2027 have grown by 16.3% and 20.7% respectively on YOY basis. On a QOQ basis, a minor de-growth of around 3.8% in Q2 is largely attributable to sales de-growth in the solar business and in our International subsidiaries.

The consolidated EBITDA margins have improved showing a growth of around 28% and 18.7% in Q2 and H1 FY 2027 respectively on YOY basis, also resulting into a consequential improvement in the PAT margins on YOY basis.

Our India engineering business (HEIL + Advantek) has posted a strong revenue growth of 24.1% and 22.5% in Q2 and H1 FY 2027 respectively on YOY basis reflecting continued strong demand trends in India in all key segments.

The improvement in EBITDA and PAT margins in our India engineering business on YOY basis as well as QOQ basis is largely attributable increased revenues, raw material pass through and reduced losses in our WOS Harsha Advantek.

Our WOS Harsha Advantek has reported loss in Q2 FY 2027 of Rs. 3 crores However, backed by a strong expected sales growth in H2, Advantek is expected to become PAT positive in H2.

Sales of Bushings stood at Rs. 42 crores and Rs. 76 crores in Q2 and H1 FY 2027 respectively showing 42.5% and 39% growth respectively on YOY basis, and we are on track for achieving the full year growth target of approx. 30%.

Business Update

Sales of Stampings stood at Rs. 23 crores and Rs .42 crores in Q2 and H1 of FY 2027 respectively showing a strong 109% and 65% growth in Q2 and H1 FY 2027 on YOY basis, again reflecting continued strong demand trends and contributions coming from new varieties of Stampings commercialised during the year.

Sales of large-size Cages stood at Rs. 14 crores and Rs. 24 crores in Q2 and H1 of FY 2027 respectively. Though sales growth appears flat in Q2, a strong growth is expected in H2 of FY 2027 backed by good demand visibility.

Sales to Japan based customers stood at Rs. 24 crores and Rs. 44 crores in Q2 and H1 FY 2027 respectively showing a growth of around 30% and 28% respectively on YOY basis, reflecting a pick up in the momentum in the sales in this segment.

Harsha Romania's continued underperformance with negative EBITDA and PAT in Q2 and H1 of FY 2027 is offset by the continued good performance of Harsha China resulting into a combined net loss of around Rs. 1.70 crores in Q2 FY 2027 and around Rs. 5 crores in H1 FY 2027. With a firm strategy of downsizing of operations coupled with corresponding cost reduction being implemented for Harsha Romania, the targeted combined loss of foreign subsidiaries on a full year basis will be a low single digit number.

Harsha Advantek as well as Harsha China Brownfield expansion project implementation is on track. The company has incurred a Capex of Rs. 72 crores on a consolidated basis in H1 of FY 2027.

Consolidated P & L Statement

(₹ in Lakhs)

Particulars	Q2 FY27	Q1 FY27	Q2FY26	FY25-26
REVENUE :				
Revenue from Operations	44,009	45,743	37,834	1,62,679
Other Income	696	513	1,031	3,798
TOTAL REVENUE	**44,705**	**46,256**	**38,865**	**1,66,477**
Share of Profit of Joint Ventures	13	3	14	53
EXPENSES :				
Cost of Material Consumed	23,394	24,238	20,278	87,584
Change in Inventories of Finished Goods & Work-in-progress	(2,126)	(232)	(971)	(2,684)
COGS	21,268	24,006	19,307	84,900
Employee Benefits Expenses	6,070	5,915	5,271	21,500
Other Expenses	9,195	9,077	7,905	32,313
EBITDA	**8,185**	**7,261**	**6,396**	**27,817**
Margin %	***18.6%***	***15.9%***	***16.9%***	***17.1%***
Finance Costs	614	583	305	1,626
Depreciation and Amortization Expense	1,424	1,378	1,134	4,666
PROFIT BEFORE TAXATION	**6,147**	**5,300**	**4,957**	**21,525**
Tax Expenses	1,644	1,562	1,313	6,005
PROFIT AFTER TAXATION	**4,503**	**3,738**	**3,644**	**15,520**
PAT Margin%	***10.2%***	***8.2%***	***9.6%***	***9.5%***
Other comprehensive income	220	648	(270)	(745)
Total Comprehensive Income	**4,723**	**4,386**	**3,374**	**14,775**
Basic Earnings per Share - In ₹	4.95	4.11	4.00	17.05
Diluted Earnings per Share-In ₹	4.94	4.11	4.00	17.05

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

Certain Key Parameters and Break Up

(₹ in Lakhs)

Particulars	Q2 FY27	Q1 FY27	Q2FY26	FY25-26
Revenue from Operations				
- Engineering & Others - Consolidated	42,817	42,108	36,312	1,44,356
- Engineering & Others - India	*32,997*	*30,996*	*26,594*	1,08,816
- Solar - EPC and O & M	1,192	3,635	1,522	18,323
EBITDA				
- Engineering & Others - Consolidated	8,112	6,979	6,296	26,385
- Engineering & Others - India	*7,832*	*6,950*	*5,881*	*25,957*
- Solar - EPC and O & M	73	282	100	1,432
PAT				
- Engineering & Others - Consolidated	4,448	3,528	3,570	14,513
- Engineering & Others - India	*4,579*	*3,932*	*3,499*	*15,515*
- Solar - EPC and O & M	55	210	74	1,007
Other Income				
- Interest Income	386	396	283	1,206
- Gain / (Loss) on Exchange Rate Fluctuation	(34)	(647)	370	882
- Miscellaneous Income	26	62	33	210
- Gain / (Loss) on Sales of Investment in Subsidary Co. /Associates	-	-	-	-
- Gain / (Loss) on Sale of Investment (Mutual Fund)	40	70	27	2,179
- Gain / (Loss) on Fair value of Investments (measured at FVTPL)	278	632	318	(679)
- Total Other Income	**696**	**513**	**1,031**	**3,798**

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

Working Capital – Consolidated – Key Parameters

(₹ in Lakhs)

Sr.	Particulars	H1 FY27	H1 FY26	FY 25-26
1	**Inventories**			
a.	Raw Material - Amount	11,460	7,451	8,597
	No. of Days	23	18	19
b.	Semi Finished- Amount	3,573	3,290	3,310
	No. of Days	7	8	7
c.	Finished - Amount	17,479	13,598	14,642
	No. of Days	36	33	33
d.	Stores & Spares and Tooling - Amount	14,641	12,717	12,849
	No. of Days	30	31	29
2	**Receivables - Amount**	38,747	34,226	37,796
	No. of Days	79	84	85
3	**Trade Creditors- Amount**	19,730	14,104	19,266
	No. of Days	40	35	43

Revenue from operations annualised and used as denominator for No. of days calculation.

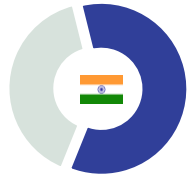


Company Overview

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^



50-60% of domestic market share

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^^**

Schaffler AG	NTN	NSK
JTEKT	SKF	TIMKEN

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



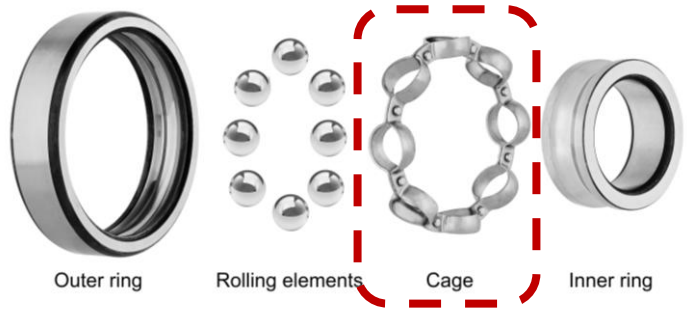
Diversifying into **complex** and **specialized** precision stamped and bushing components



Note : *Largest manufacturer in terms of revenue in organized sector; ^in CY2021 ^^As of 31st March 2022

Bearing cages

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

Comprehensive solution provider offering diversified suite of precision engineering products with diverse applications



- ✓ *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*

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**

Expertise in tooling, design development and automation

Full-service capabilities under one roof

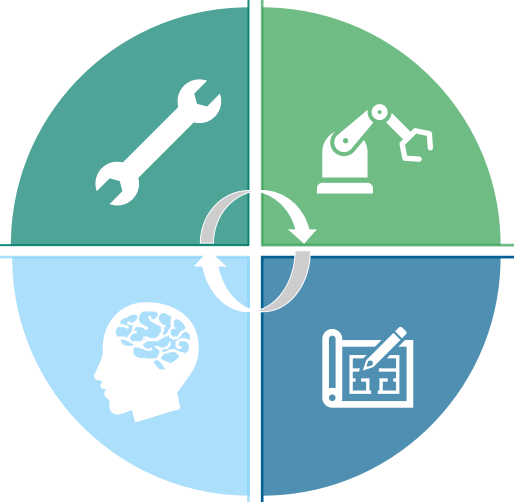
- Product Design Support
- Tooling Design
- Tooling Manufacturing
- Development, Testing & Measurement

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



THANK YOU

HARSHA
ENGINEERS