



Divgi TorqTransfer Systems

Divgi TorqTransfer Systems Limited

CIN: L32201MH1964PLC013085

75, General Block, MIDC, Bhosari,

Pune 411 026, India

Tel: (+91-20) 63110110

Web: www.divgi-tts.com

Ref.: DTTS/Sec/23-24/103

February 02, 2024

To, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 BSE Scrip Code – 543812	To, National Stock Exchange of India Limited, "Exchange Plaza" 5th Floor, Plot No. C-1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 NSE Scrip Code - DIVGIITTS
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Sub: Investor Presentation

Ref.: Regulations 30 of the SEBI LODR Regulations, 2015.

Dear Sir / Madam,

Pursuant to Regulation 30 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), please find enclosed herewith the presentation on performance of the Company for the quarter and nine months ended December 31, 2023.

This is for your information and records.

Thanking you,

For Divgi TorqTransfer Systems Limited

Sanika Nirgude
Company Secretary and Compliance Officer
M No.: A71466

Enclosure: As above



Divgi-TTS

Divgi TorqTransfer Systems Limited

Investor presentation

Third quarter, FY 2023-24

Disclaimer and caution statement regarding forward-looking statements



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Vision

To be recognized as a world-class Indian brand in automotive drivetrain components and systems



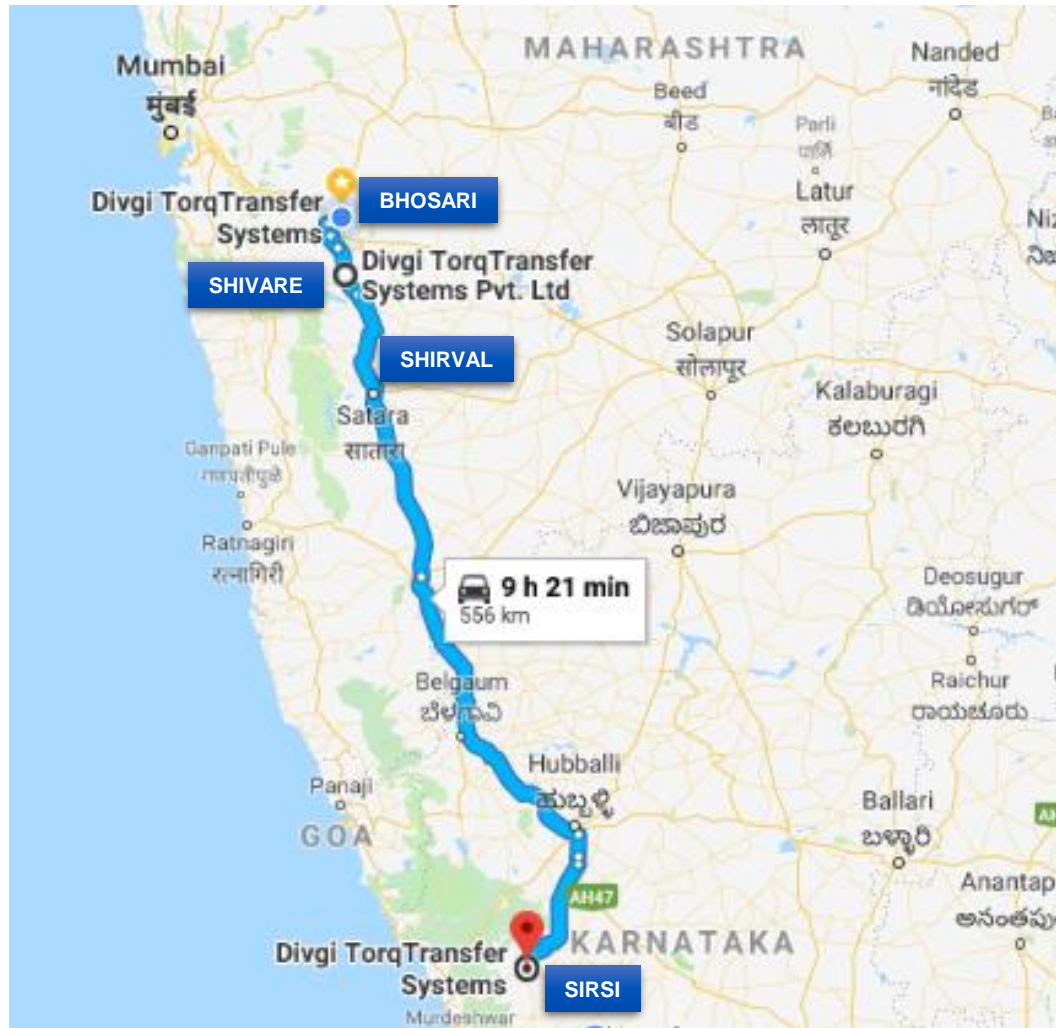
Mission

To help our customers and our people continually innovate and excel in building world-class drivetrain components and systems.



Values

- Respect for each other
- Power of collaboration
- Passion for excellence
- Personal integrity
- Responsibility to our communities



Corporate Office & Plant 1
Bhosari, Pune, Maharashtra



Plant 2
Shivare, Pune Dist., Maharashtra



Plant 3
Sirsi, Uttara Kannada Dist., Karnataka



Plant 4
Shirwal, Satara Dist., Maharashtra

4WD/AWD Products

RWD Applications



FWD Applications



Axle Disconnect Applications



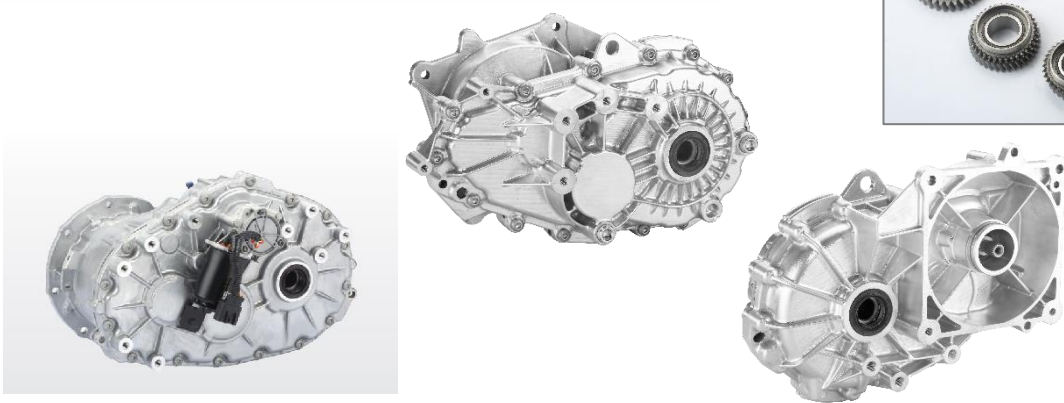
Manual Transmissions and Synchronizers



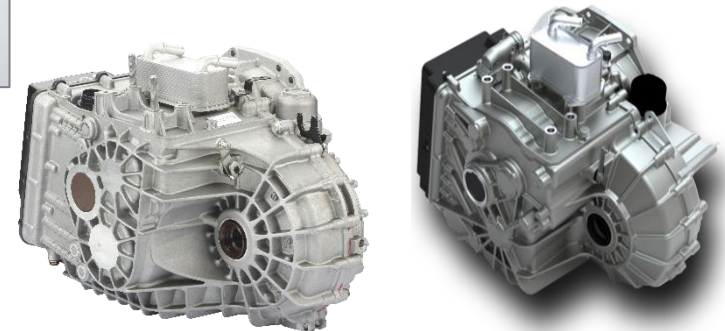
Key components



Electric Vehicle Transmission



Automatic Transmissions



4WD/AWD Products



Manual Transmissions and Synchronizers



Electric Vehicle Transmission



Automatic Transmissions



Representative Images

Global Footprint

Transnational Customer Base



Our credible Board of Directors

*Individuals of proven
capability and integrity*

*Bringing diverse competencies
to the table*

*Committed to uphold
governance*



Praveen Kadle
Chairman and
Independent Director



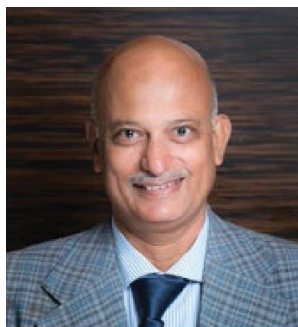
Jitendra Divgi
Managing
Director



Hirendra Divgi
Executive
Director



Pradip Dubhashi
Independent
Director



Pundalik Dinkar Kudva
Independent Director



Geeta Tolia
Independent Director



Bharat Divgi
Non-Executive Director



Sanjay Divgi
Non-Executive Director

Management Team



Jitendra Divgi
Managing
Director



Zubair Kachi
Mktg., Sales & ABD



**Prasanna
Deshpande**
Engineering & Product
Development



Deepak Vani
Chief Operating Officer
& Purchase



Rakesh Sharma
Mfg Engineering &
Growth & Launch



Rupam Parwate
Operational Excellence



Sudhir Mirjankar
Finance



Gopal Dalvi
Human Resource



Mark John
Intl. Comm. Operations



Nam Jun Kim
President & Country
Head, South Korea



Nilesh Shukla
Advanced Mfg.
Tech.



Pulak Das
Chief Information
Officer

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Executive Summary

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Financial Performance & Business Highlights

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Updates on new manufacturing equipment & new programs

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The big idea



Mr. Jitendra Divgi
Managing Director



Mr. Sudhir Mirjankar
Chief Financial Officer



Mr. Dipak Vani
Chief Operating Officer

- Revenue: Year-on-year, the nine-month revenue remains steady
- Q3FY24, quarterly revenue stands at Rs 676.76 million with 4% yoy growth and down 8% qoq
- **Market headwinds** in the third quarter; our principal customer accounts underperformed (*Transfer case business / EV project / Defence business*). This resulted in:
 - Revenue loss of Rs 16 Cr
 - Contribution of Rs 6 Cr on the lost revenue
- **Additional export orders** came from two of the largest drivetrain technology companies of US-Europe. The life-cycle revenue of these business are Rs 212.1 Cr over a period of 5 years


- Our New facility at Shirwal has achieved critical mass maturing with reliability of the testing facility


- The successfully launched drivetrain eProduct has the potential for penetrating and laterally expanding into the following markets:
 - **Hatchback and Sedan Segments**
 - **Micro SUV Segment**
 - **Light Commercial Vehicle Segment**
 - **In FY27, the Total Addressable Market (TAM) size for EV transmission in India is estimated to be over Rs 4000 Cr, to cater to this, the company is well-equipped with manufacturing capacity, transmission dynamometer, product and process validation capabilities, and state-of-the-art infrastructure.**

- **Encouraging**
 - MG Motors' corporate restructuring, indigenizing its business and operations
 - TATA Motors' surpasses Maruti Suzuki to become India's most valued automaker; the company has a long and deep track record of technology development with TML

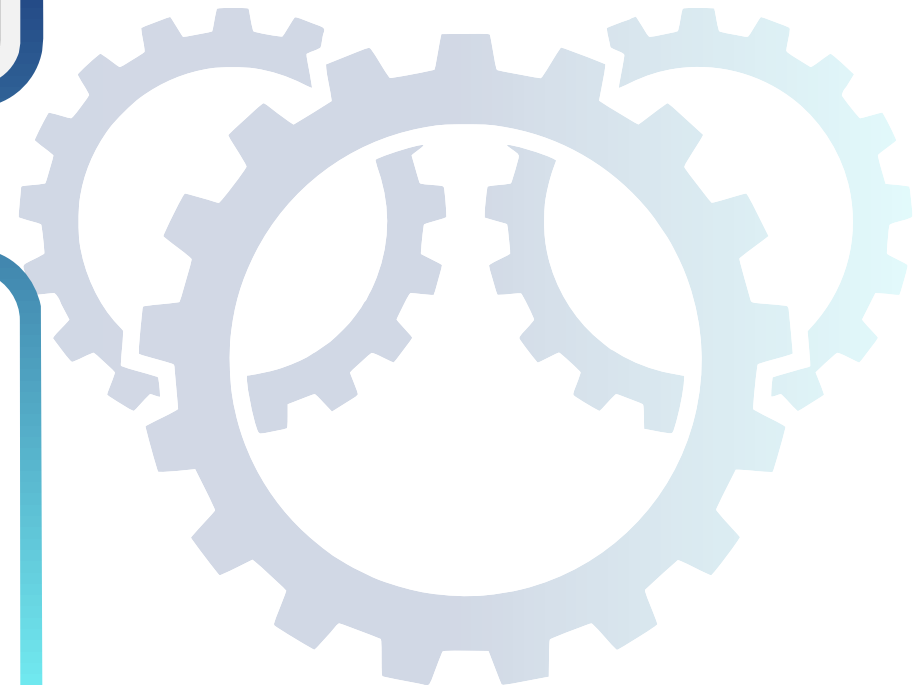
What we achieved in Q3FY24:

- Commissioning of *FEV Transmission Dynamometer*
- Launch of Tata NOVA Project
- Readiness on e-Jeeto
- Readiness on export business acquired earlier
- Acquisition of two new export business

 **EBITDA** – despite the challenges, our EBITDA margin at 25.91% remains consistent with the last quarter's 25.93%

 Capacities and capabilities are in place serving all drivetrain requirements (Electric, Hybrid, & ICE)

Revenue Walk



Revenue Walk - Quarterly



Particulars	Q3FY24	Q2FY24	Q-o-Q	Q3FY23	Y-o-Y
	(₹ Cr)	(₹ Cr)	(₹ Cr)	(₹ Cr)	(₹ Cr)
Transfer Case	39.41	42.23	(2.82)	45.22	(5.81)
NexTrac	2.14	1.63	0.51	2.46	(0.32)
ALH	0.79	0.78	0.01	1.46	(0.67)
E-Gear Drive	5.29	10.34	(5.05)	0.03	5.26
Synchro	3.53	3.43	0.10	4.42	(0.89)
Components	10.34	7.37	2.97	5.93	4.41
After Market	0.34	0.23	0.11	0.07	0.27
Tooling & Other Operating	1.21	2.74	(1.53)	4.39	(3.18)
Revenue From Operation	63.05	68.75	(5.70)	63.98	(0.93)
Other Income	4.63	4.79	(0.16)	1.17	3.46
Total Revenue	67.68	73.54	(5,86)	65.15	2.53

Revenue Walk – Nine-months



Particulars	9MFY24	9MFY23	Y-o-Y
	(₹ Cr)	(₹ Cr)	(₹ Cr)
Transfer Case	120.70	136.34	(15.64)
NexTrac	5.62	7.36	(1.74)
ALH	2.88	5.45	(2.57)
E-Gear Drive	16.31	0.15	16.16
Synchro	9.20	15.29	(6.09)
Components	24.70	26.01	(1.31)
After Market	1.00	0.90	0.10
Tooling & Other Operating	7.95	6.20	1.75
Revenue From Operation	188.36	197.70	(9.34)
Other Income	14.46	5.00	9.46
Total Revenue	202.82	202.70	0.12

Snapshot

Particulars (Rs Mn)	Q3FY24	Q2FY24	Q3FY23	9MFY24	9MFY23	FY23
	Rs	Rs	Rs	Rs	Rs	Rs
Revenue from operations	630	687	640	1,884	1,977	2,710
Other Income	46	48	12	145	50	76
Total Revenue	677	735	652	2,028	2,027	2,787
Gross Profit	346	403	387	1,094	1,174	1,597
Gross Margin (%)	55%	59%	60%	58%	59%	59%
EBITDA	175	191	193	544	602	821
% to Total Revenue	26%	26%	30%	27%	30%	29%
PBT	126	145	162	412	507	688
% to Total Revenue	19%	20%	25%	20%	25%	25%
PAT	94	107	120	305	377	512
% to Total Revenue	14%	15%	18%	15%	19%	18%

Revenue

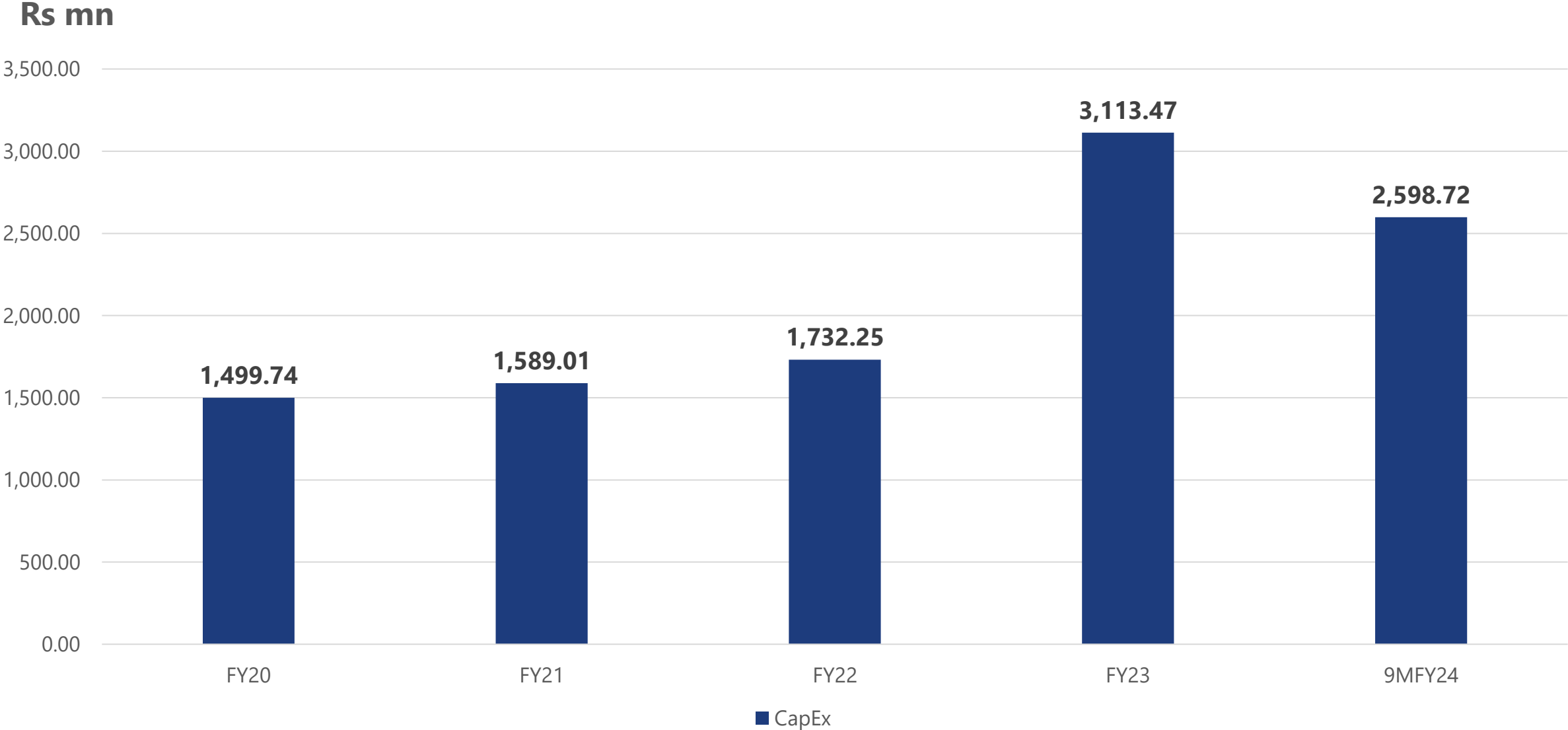
- Total revenue at Rs 677 million, down 8% qoq and up 4% yoy
- Market headwinds in key revenue accounts
 - Defence business
 - 4WD business
 - EV project

Profitability

- Gross margin at 55%, vs. 59% qoq and 60% yoy
- EBITDA at Rs 175 million; EBITDA margin at 26%, vs. 26% qoq and 30% yoy
- Profitability impacted due to:
 - Sales mix
 - Change in the cost structure
 - Depreciation
 - Increased Fixed overhead costs will be rationalized with the upcoming new business

Capital Employed

- Continued spending on growth CapEx; CapEx and R&D spending from issue proceeds - Rs 178 million
- Maintained status of a debt-free company
- Return on Invested Capital for 9MFY24 ~11.50%, affected by growth CapEx
- Working Capital Management:
 - Started receivable recovery from defence business, recovered Rs 39.10 million from the last earnings call
 - New program ramp-up inventory

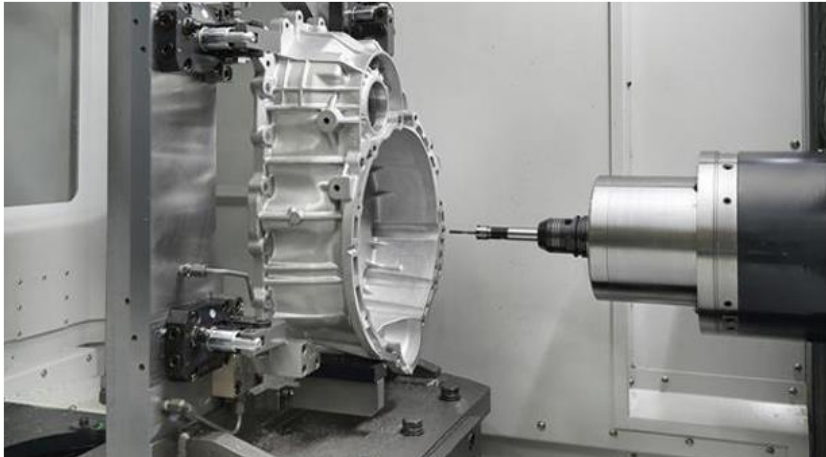


Updates on new manufacturing equipment – Q3FY24



HMC Machine- Makino, Japan

- Model: A61nX
- No of Machine: 2 Nos.
- Investment: 6.43 Cr



VMC Machine- Makino, Japan

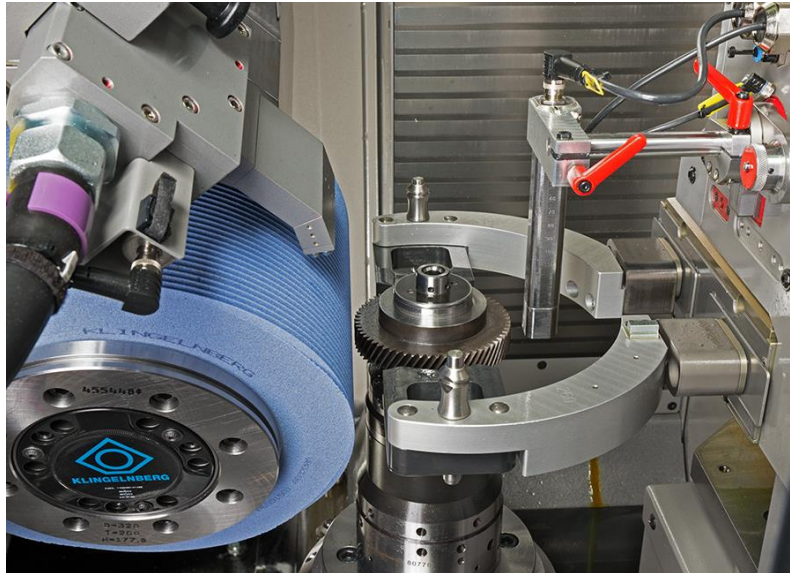
- Model: Slim 5N & Slim 3N
- No of Machines: 2
- Investment: 2.12 Cr



Makino – 3 Axis CNC Vertical Machining Centre: Slim 5n

Gear Grinding Machine- Klingelberg, Germany

- Model: SV 300 & SV2 180
- No of Machines: 1 each
- Investment: 7.87 Cr & 8.95 Cr



State-of-the-art manufacturing equipment...



- Investment: 1.65 Cr



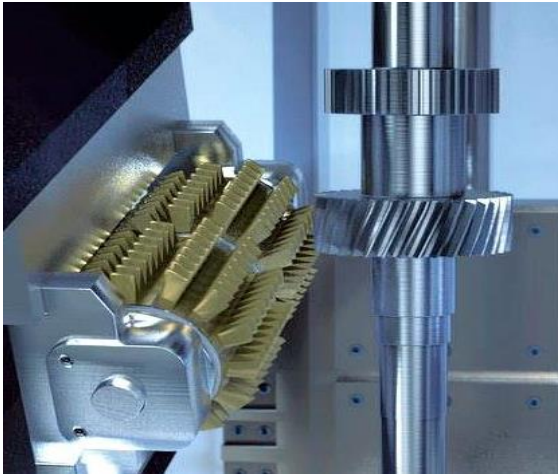
OD & Face Grinding Machine- PMT, Pune

- Model: AWH 600
- No of Machines: 2
- Investment: 1.81 Cr



Hobbing Machine- Liebherr, India

- Model: LC250
- No of Machine: 1 No
- Investment: 2.35 Cr
- 8 Axis CNC Hobbing Machine
- Combi-Hobbing i.e. Two Gear Sections Hobbing in one setup



Shot Peening Machine- Precicut, India

- No of Machine: 1
- Investment: 0.48 Cr
- Machine ETA: Feb 24

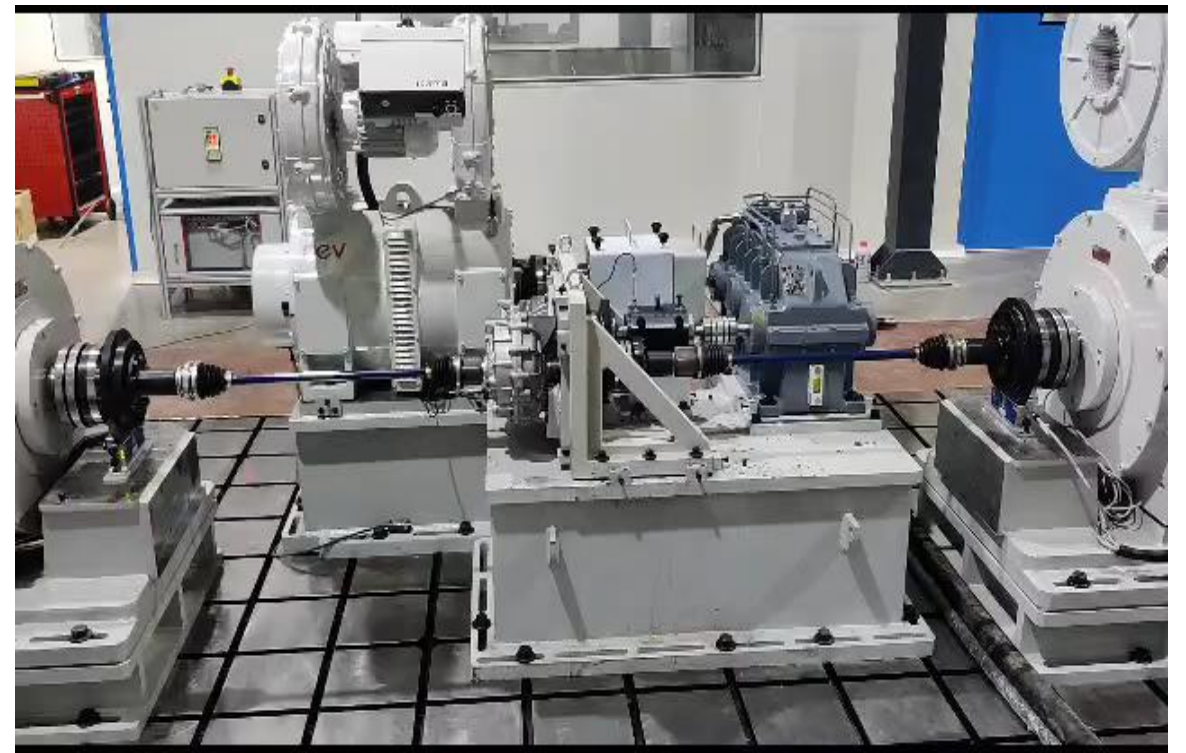


Gear Measuring Machine- Klingelnberg, Germany

- Model: P26
- No of Machine: 1
- Investment: 2.38 Cr
- Machine ETA: Feb 24



Dyno Durability Test Stand from FEV, Germany



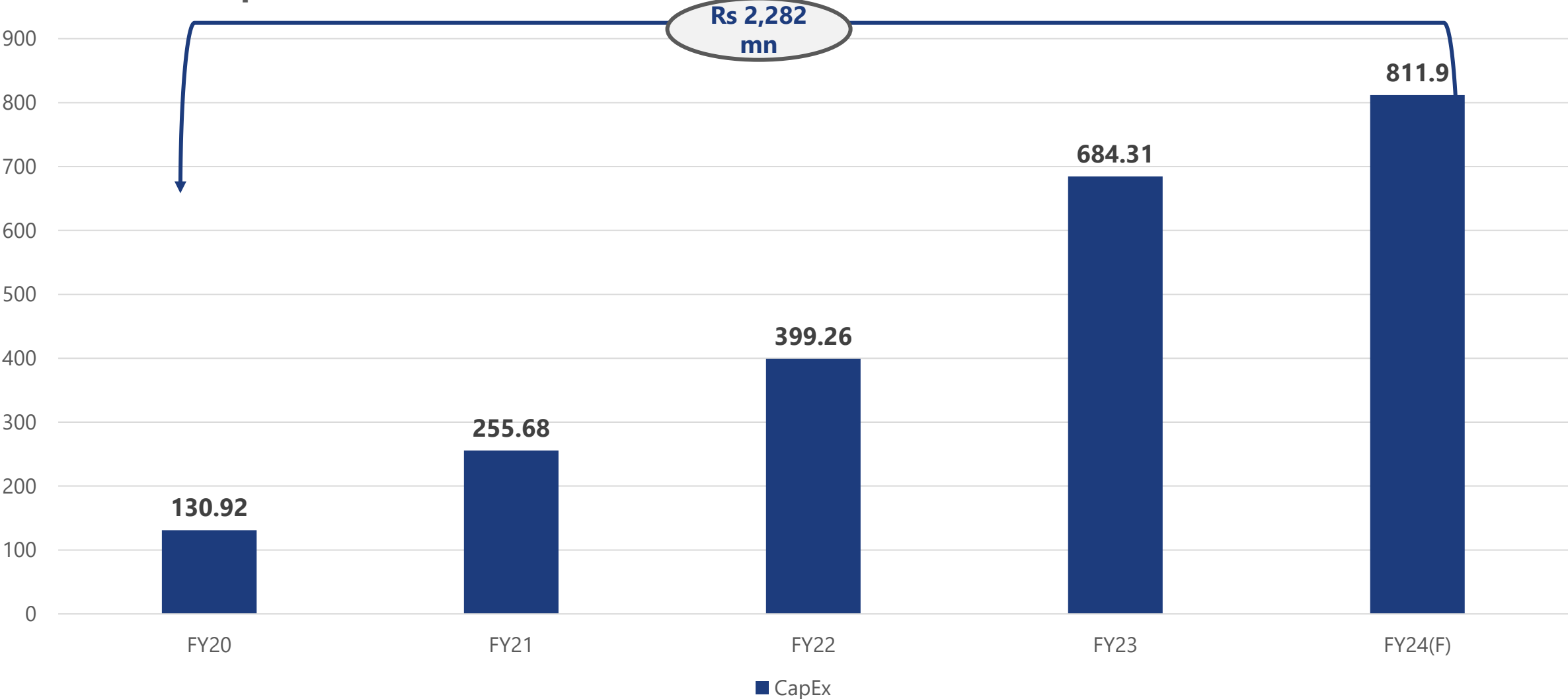
➤ This test stand will increase capability of DIVGI-TTS for inhouse validation of Transfer Cases, MT, DCT and EV Transmissions, thus reducing development time and developing products "Right First Time".

- *Transmission Durability Test*
- *Transmission Efficiency Test*
- *Differential Durability Test*
- *High Speed Test*
- *High Temperature Performance Test*
- *Lubrication and Breather Evaluation Test*
- *Gear Contact Pattern Test*
- *Transmission Temperature Rise Test*
- *Dynamic Oil Seal Test*
- *Spin Test*

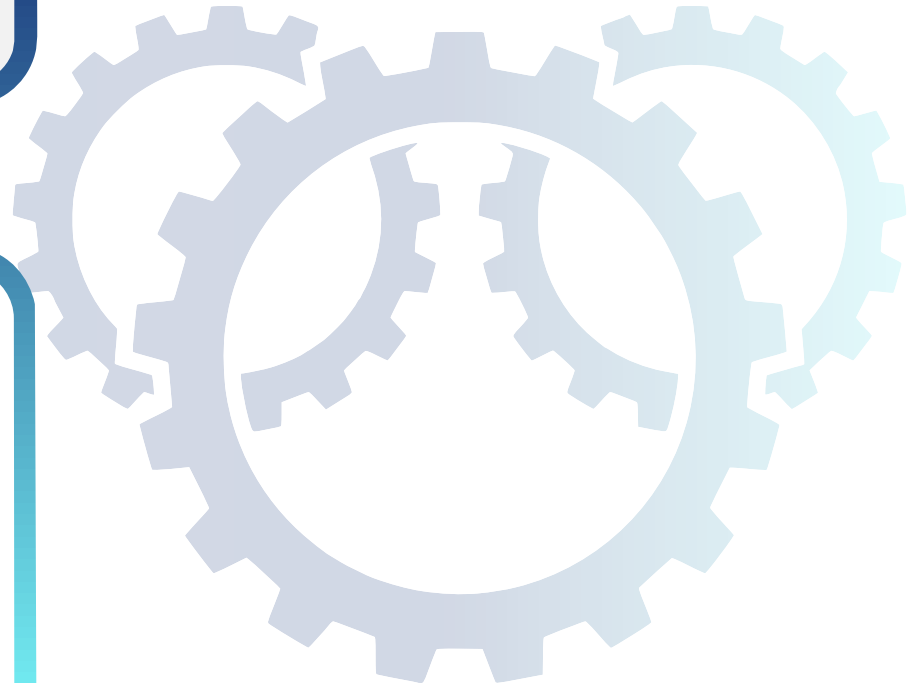
Growth CapEx FY20 to FY24(F)



Cumulative CapEx Rs mn



Updates on the new business progress



- **Customer : Fortune's World's Most Admired Company in USA**
- **Business Enquiry : 31st March 2023**
- **Business Awarded on : 29th January 2024**
- **Life Cycle Revenue : Rs 120 Crore**

Project Status

- **Upcoming milestones :**
 - Sample Submission : May 2024
 - Production Approval : October 2024
 - Start of Production : December 2024



- **Customer : Fortune's World's Most Admired Company in USA**
- **Business Enquiry : 3rd January 2023**
- **Business Awarded on : 16th January 2024**
- **Life Cycle Revenue : Rs 138 Crore**

Project Status

- **Upcoming milestones :**
 - Sample Submission : March 2024
 - Production Approval : June 2024
 - Start of Production : November 2024



- **Customer : Fortune's World's Most Admired Company in Mexico**
- **Business Enquiry : 10th February 2021**
- **Business Awarded on : 31st August 2022**
- **Life Cycle Revenue : Rs 68 Crore**

Project Status

- **Milestones completed :**

- Sample Submission : November 2023

- **Upcoming milestones :**

- Production Approval : March 2024
- Start of Production : August 2024



- **Customer : Leading Indian OEM**
- **Business Enquiry : 16th April 2021**
- **Business Awarded on : 23rd July 2022**
- **Capacity Installed for : 35500 Nos Annually**



Project Status

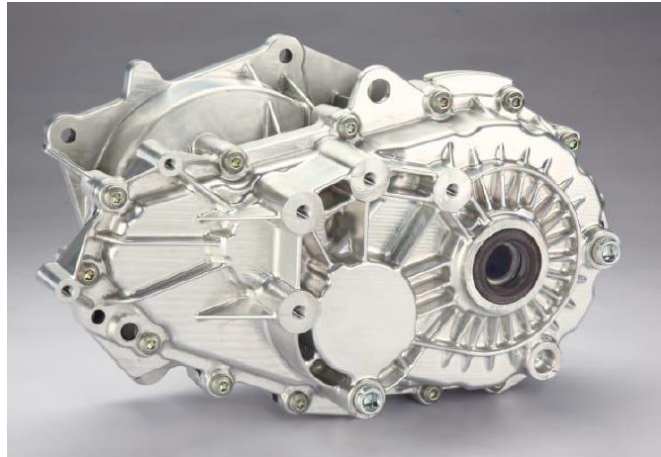
- **Milestones completed :**
 - Sample Submission : November 2022 / March 2023
 - Production Trial : October 2023
 - Production Approval : December 2023
 - Start of Production : January 2024



- Customer : Leading Indian OEM
- Business Enquiry : 20th December 2022
- Business Awarded on : 10th August 2023
- Life Cycle Revenue : Rs 204 Crore

Project Status

- Milestones completed :
 - Sample Submission : 7th December 2023
- Upcoming milestones :
 - Production Approval : February 2024
 - Start of Production : April 2024



- Customer : Leading Indian OEM
- Business Enquiry : 04th April 2022
- Business Awarded on : 25th August 2022
- Life Cycle Revenue : Rs 15 Crore

Project Status

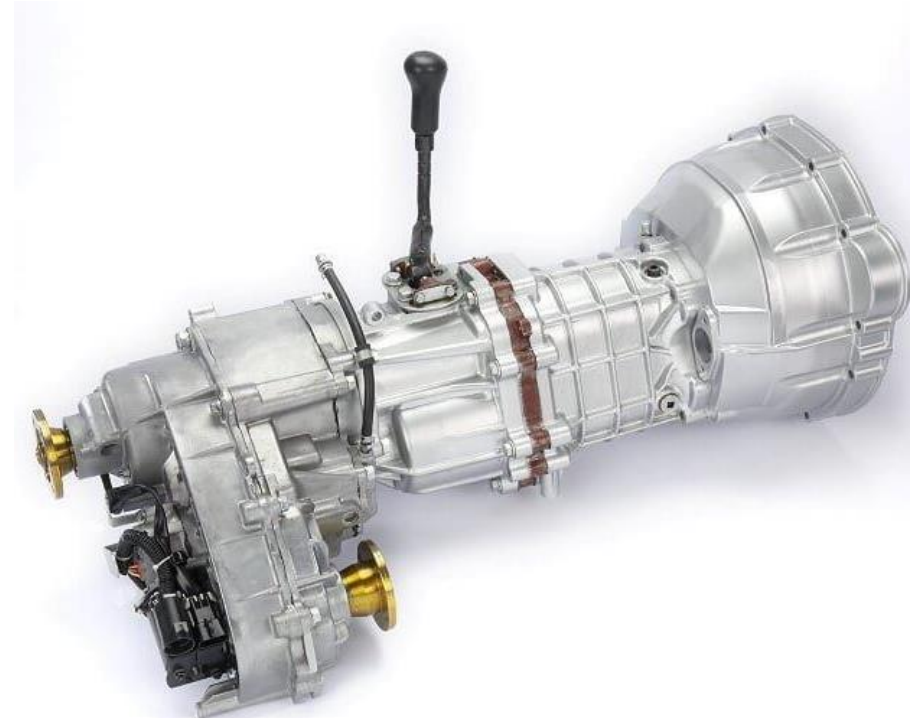
- Milestones completed :
 - Sample Submission : 23rd January 2023
 - Production Approval : 7th December 2023
 - Start of Production : 17th January 2024



Manual Transmission

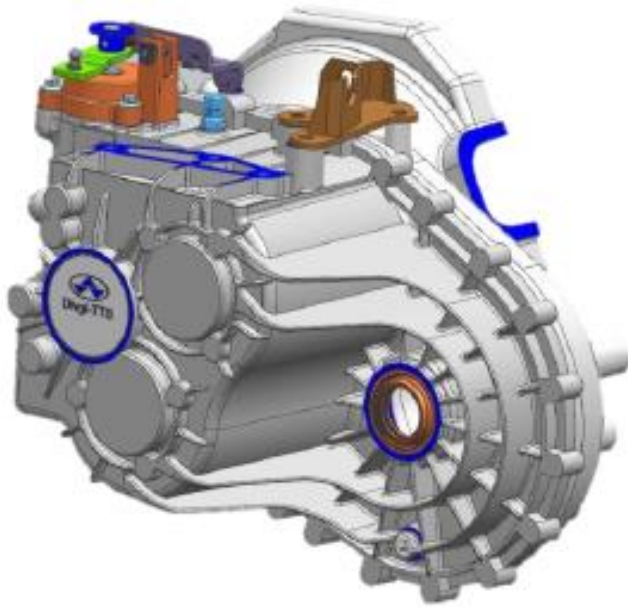


6MT420

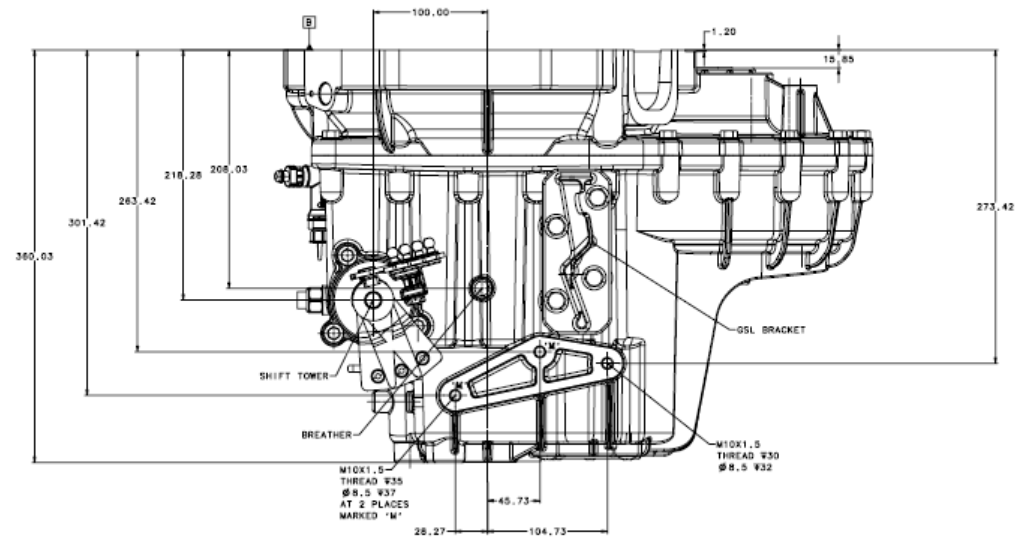
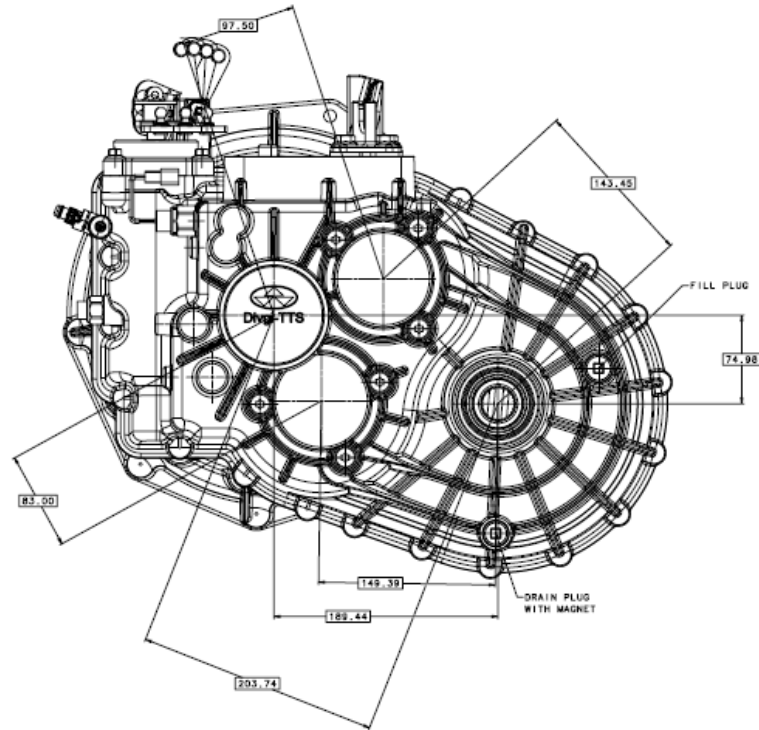


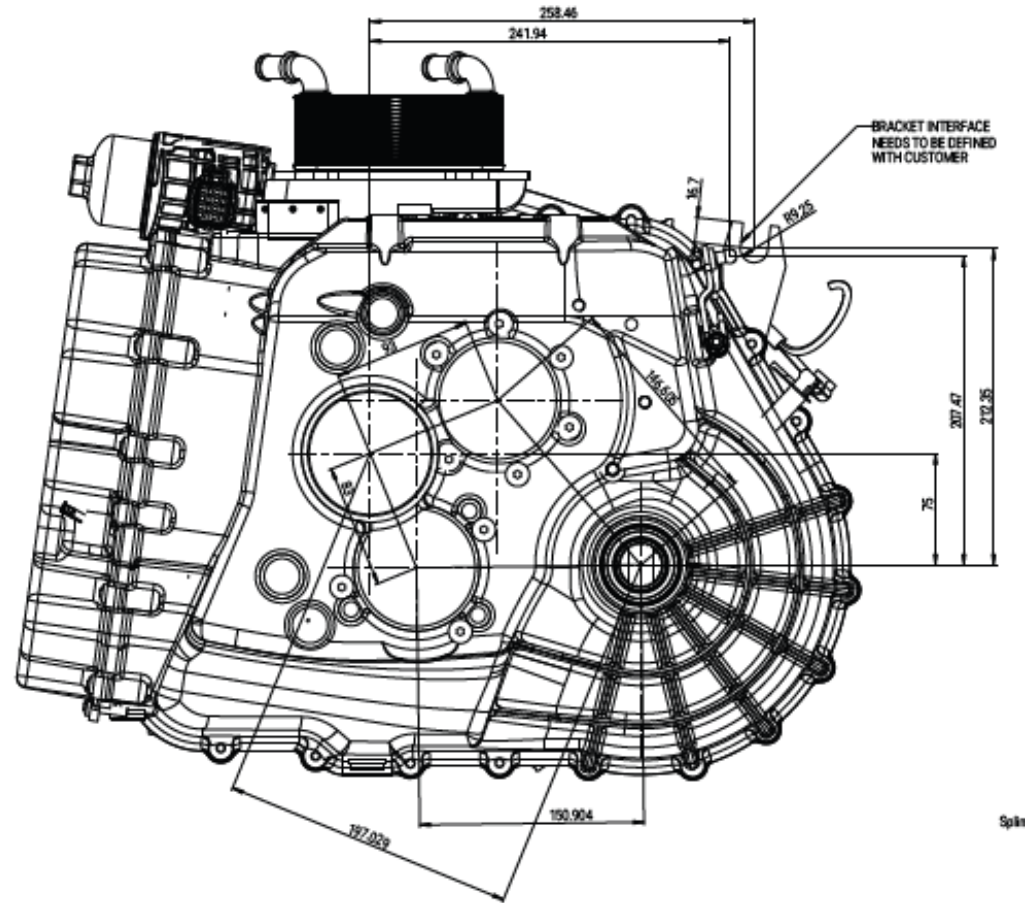
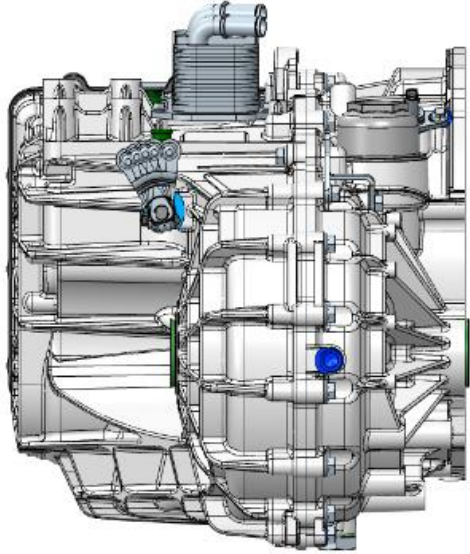
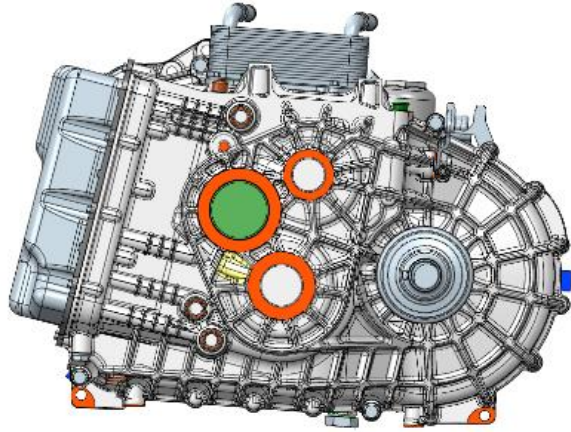
5MT320

Manual Transmission

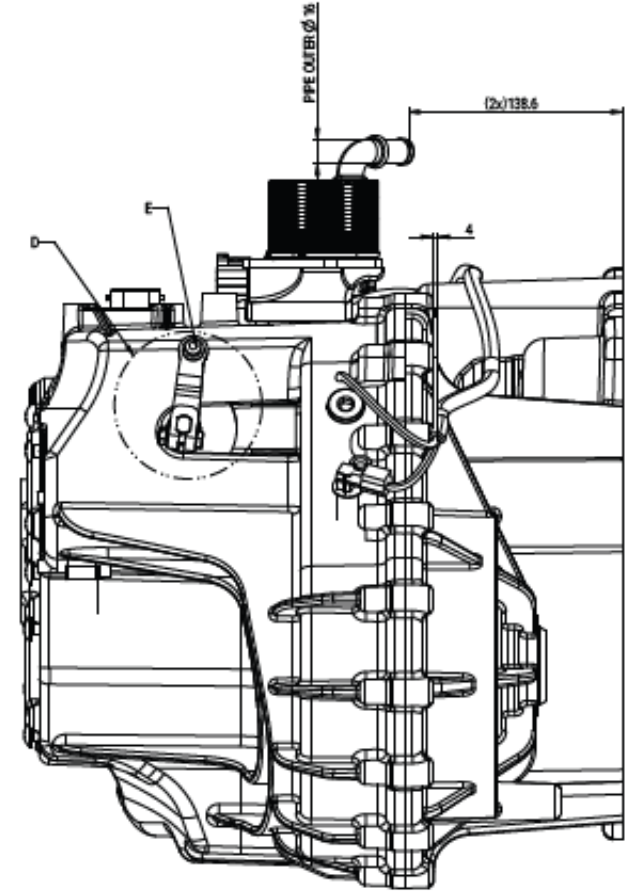


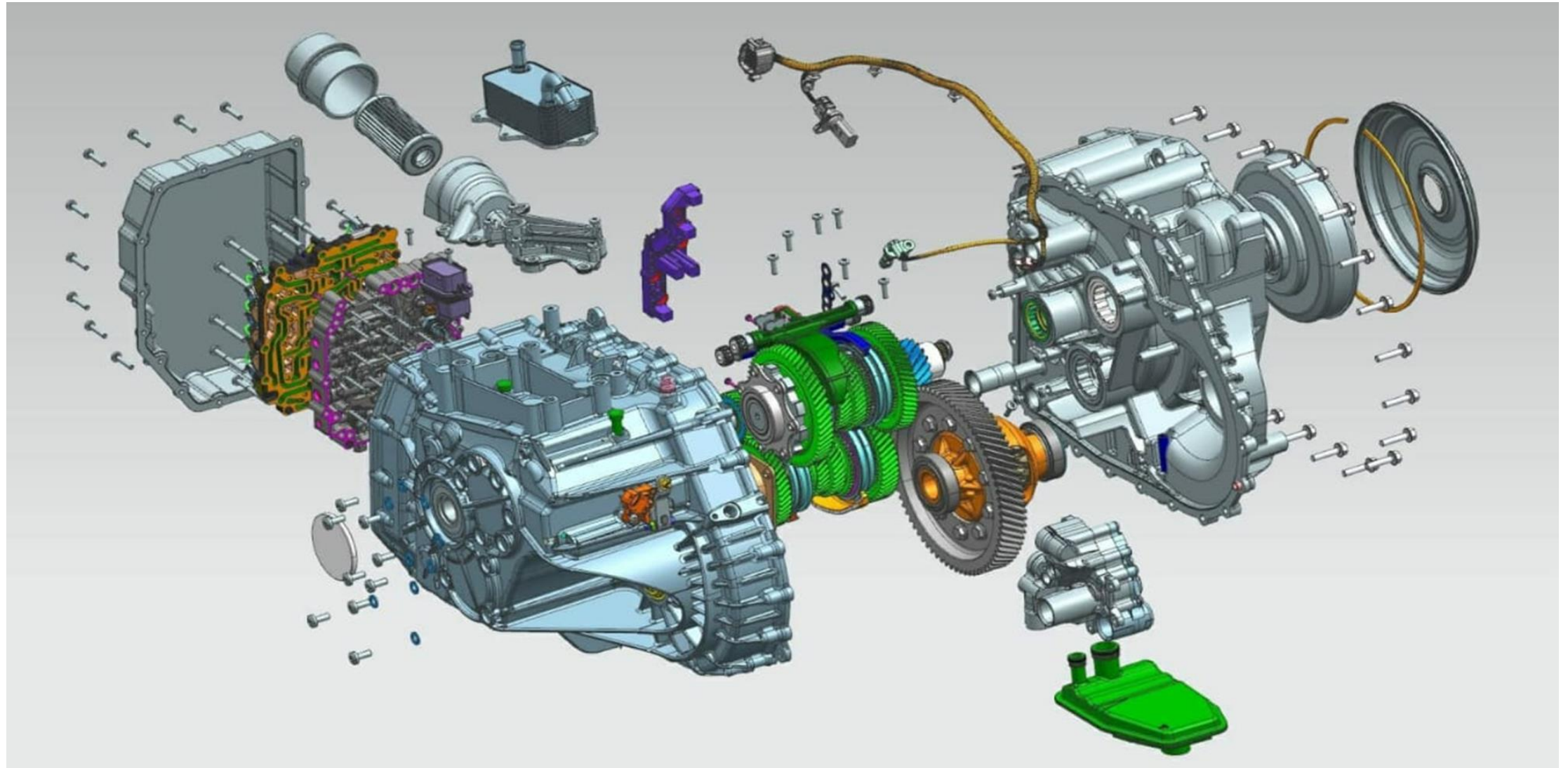
6MT250





Spin





The big idea at Divgi-TTS

Technology-led innovation



The global automotive industry is trending towards faster, more convenient and more efficient automobiles.

This is creating an unprecedented global opportunity for superior drivetrain solutions the world over.

Divgi-TTS is positioned as a disruptive player in the global drivetrain solutions sector servicing the automotive industry.

The Company is leveraging its validated 'India. Manufacturing. Technology. Global.' (IMTG) complement to graduate from a successful Indian manufacturer to an agile global player.

Our technology priority

Engage in technology development that was otherwise done by OEMs

Examine cutting-edge technology developments the world over

Collaborate and partner with technology creators and start-ups

Build an eco-system of global technology capabilities

Permute and combine cutting-edge technologies as per downstream needs

The advantages of this approach

Specialise or outsource: enhance corporate brand clarity around nimbleness

Positions the company as a specialised technology aggregator

Inside-out perspective of seeing what other specialists are innovating

Commitment to what customers need over what we can market to them

Enhanced strategic flexibility: no sunk costs

Asset-light; lower research costs; no employer liabilities

How we are deepening this commitment in FY 24

Operated the Shirwal plant and presented it as a global sectoral showpiece

Innovated a transmission dynamometer

Developed to test transmission boxes

Only third company in India to develop this

Conceived and completed in just four months

Can spin at an unprecedented 16,000 RPM

New Business
Opportunity, NBO
tracking

Business
Development
Register, BDR in SAP

FY20 -23

- 14% strike rate
- Rs 400 Cr worth of opportunities converted
- Rs 2500 Cr being actively pursued

Thank You!



PRODUCT LEADERSHIP
LIKE NO OTHER

