Gala Precision Engineering Limited

COMPANY BACKGROUND……………………………………………………

- Gala Precision Engineering is a renowned and preferred manufacturer of precision components in India.
- The company is supported by an experienced management team and a diverse, skilled workforce, driving consistent financial growth, operational efficiency, and high levels of repeat business.
- Leading manufacturer of Special Fastening Solutions (SFS), Disc & Strip Springs (DSS) and Coil & Spiral Springs (CSS), comprising of an extensive portfolio of 750+ SKUs.
- A diversified customer profile with more than 175 customers, with key clientele including major OEM's, Tier-1 & Channel Partners across various industries like Renewable Energy, Industrials and Mobility.
- Exporting to more than 25 countries with an office in Frankfurt, Germany and export revenues contributing to 37% in FY24.
- State-of-the-art manufacturing facilities, complemented by in-house tool design and development capacities offering scalability and flexibility, providing comprehensive solutions to its clients.

BUSINESS MIX……………………………………………………

- **Disc Spring & Wedge Lock Washers (DSS) :** Disc spring, Strip Springs and fastening solutions used in industrial applications requiring force exertion. They offer significant spring forces in a compact design.
- **Coil and Spiral Spring (CSS) :** Coil are Mechanical devices that store potential energy which are made from wire twisted into a spiral shape, with various steel types to meet specific requirements. Spiral Springs are made from rectangular metal strips wound into a flat spiral, designed to store and release rotational energy as torque.
- **Special Fastening Solution (SFS) :** Fasteners are hardware devices used to join or affix objects together, generally creating non-permanent joints.

KEY STRENGTHS……………………………………………………………………

- Well established manufacturer of precision engineering components with diversified product portfolio and diverse market.
- Long-standing customer relationships with both Indian and global OEM and Tier 1 players.
- Well-equipped manufacturing facilities along with in-house design and other capabilities which offer scale, flexibility and comprehensive solutions.
- Experienced management team supported by large, diverse and skilled work force.

FINANCIAL PERFORMANCE (CONSOLIDATED)……………………………

(INR Mn)	Operating Income	EBITDA	EBITDA%	PAT	PAT%	EPS
FY22	1,453	197	13.56%	66	4.54%	6.44
FY23	1,655	274	16.56%	242	14.62%	23.56
FY24	2,025	388	19.16%	223	11.01%	21.77
9M-FY25	1,625	279	17.17%	168	10.34%	14.64

Key Data	
BSE Code	544244
NSE Code	GALAPREC
Bloomberg	GALAPREC:IN

Market Data (INR) As on 31st December, 2024	
Face Value	10.00
CMP	1,315.90
52 Week H/L	1,480.80/685.60
MCAP (Mn)	16,672.45
Shares O/S (Mn)	12.67
1 Yr Avg. Vol. ('000)	NA

Performance As on 31st December, 2024

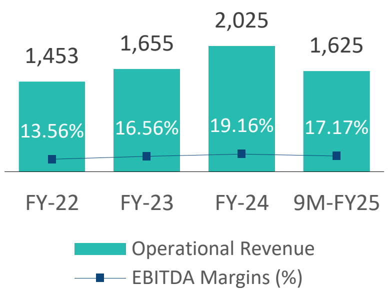
	3M	6M	12M
Gala Precision Engineering*	62.92%	NA	NA
SENSEX	-7.26%	-1.14%	8.20%
BSE SMALLCAP	-3.64%	5.30%	28.76%

*Listed as on 09th September 2024

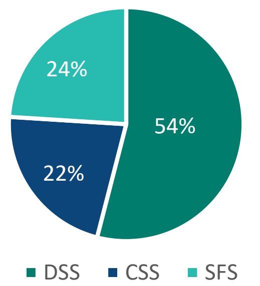
Shareholding Pattern As on 31st December, 2024	
Promoters	55.44%
Public	37.14%
DII	5.39%
FII	2.03%

BUSINESS SEGMENTS

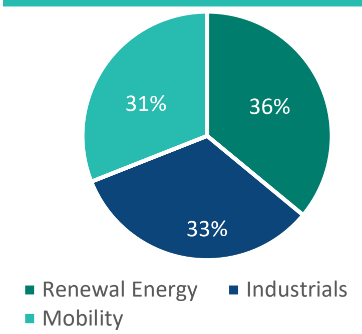
Operational Revenue & EBITDA Margins (%)



Product Break Up (9M-FY25)



End User Industry Revenue Break Up (9M-FY25)



Disc Spring & Wedge Lock Washers :

- These solutions are specifically designed for industrial applications, ensuring secure, vibration-resistant joints with exceptional longevity and reliability.
- Disc springs developed through collaboration with German universities, focusing on high performance and excellent fatigue life under stress.
- Providing over 100 standard sizes (ex-stock) and online selection software, allowing for reduced spring sizes while meeting load and deflection requirements.
- The installed capacity for DSS is 225,517,000 units, with an 85% utilization rate, contributing to 59.5% of the company's total revenue in FY2024

Coil & Spiral Springs :

- Began manufacturing CSS in 2015, utilizing expertise to produce springs for critical applications.
- CSS solutions are used in automotive, off-highway vehicles, commercial vehicles, and industrial infrastructure.
- Spiral springs offer high durability, optimal space efficiency, various surface treatments, and cost options while meeting strict tolerances.
- The installed capacity for CSS is 20,941,200 units, with a 78% utilization rate, contributing to 20% of the company's total revenue in FY2024.

Special Fastening Solutions:

- The company manufactures custom-made fasteners like studs, anchor bolts, and nuts, used in industries such as renewable energy, railways, off-highway vehicles, electrical, and heavy machinery.
- The company holds a 15% market share in the domestic specialized fastener solutions (SFS) market for wind turbines.
- Specialty Fasteners and Systems has an installed capacity of 420,000 units with a capacity utilization of 69.94% in FY2024.

KEY GROWTH DRIVERS

- Strengthening our core capabilities in precision engineering for sustainability
- Moving up the value chain from niche markets to large addressable markets
- Leverage in-house design and development capabilities to grow our product offerings and capitalize on future trends
- Strengthen relationships with our existing customers and expand customer base
- Expand manufacturing capacity at our existing facilities and set-up additional strategically located facility

PEER COMPARISON (TRAILING 12 MONTHS) INR MN

Company	Op. Income	Op. EBITDA	EBITDA Margins	PAT	PAT Margins	Market Cap
Gala Precision Engineering Ltd.	2,200	414	18.80%	233	10.59%	16,672
Harsha Engineering International Ltd.	14,151	1,944	13.73%	1,284	9.08%	45,290
SKF India Ltd.	49,096	6,595	13.43%	5,378	10.95%	2,21,284
Sundram Fasteners Ltd.	58,913	9,477	16.09%	5,517	9.37%	2,22,504
Sterling Tools Ltd.	10,958	1,222	11.15%	658	6.00%	20,972

INCOME STATEMENT (CONSOLIDATED) ……………………………………………………………………………………

INCOME STATEMENT (INR MN)	FY22	FY23	FY24	9M-FY25
Revenue from Operations	**1,453**	**1,655**	**2,025**	**1,625**
Total Expenses	1,256	1,381	1,637	1,346
EBITDA	**197**	**274**	**388**	**279**
EBITDA Margin (%)	***13.56%***	***16.56%***	***19.16%***	***17.17%***
Other Income	27	16	18	29
Depreciation	63	61	69	59
Finance Cost	49	52	61	29
Profit before Exceptional Items and Tax	**112**	**177**	**276**	**220**
Exceptional Items (Net)	-	98	(23)	(2)
PBT	**112**	**275**	**253**	**218**
Tax	46	33	33	50
Non – Controlling Interest	-	-	(3)	-
PAT after Exceptional Item	**66**	**242**	**223**	**168**
PAT Margin after Exceptional Item (%)	***4.54%***	***14.62%***	***11.01%***	***10.34%***
Other Comprehensive Income	(3)	2	5	2
Total Comprehensive Income	**63**	**244**	**228**	**170**
EPS (INR)(not annualised)	6.44	23.56	21.77	14.64

BALANCE SHEET (CONSOLIDATED) (IND-AS)……………………………………………………………………………

Particulars (INR Mn)	FY23	FY24	H1-FY25
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	25	101	127
Other Equity	811	947	2,313
Non Controlling Interest	-	(3)	(4)
Total Equity	**837**	**1,045**	**2,436**
Non-Current Liabilities			
Financial Liabilities			
- Borrowings	205	92	77
- Lease liabilities	15	11	10
- Other Financial Liabilities			
Provisions	46	53	60
Deferred Tax Liabilities (Net)	37	9	3
Current Liabilities			
Financial Liabilities			
- Borrowings	381	458	41
- Lease liabilities	3	3	4
- Trade Payables	81	136	189
- Other Financial Liabilities	84	64	108
Other Current Liabilities	9	11	13
Provisions	6	5	5
Current Tax Liabilities (Net)	-	-	-
Total Liabilities	**867**	**842**	**510**
Total Equity And Liabilities	**1,704**	**1,887**	**2,946**

Particulars (INR Mn)	FY23	FY24	H1-FY25
ASSETS			
Non-Current Assets			
A) Property, Plant and Equipment	382	413	415
B) Right of use assets	50	45	43
C) Capital Work-in-Progress	13	32	95
D) Investment Property	-	-	-
E) Goodwill	-	-	-
F) Other Intangible Assets	177	186	171
G) Intangible assets under development	35	33	53
H) Other Financial Assets	9	11	40
I) Non-Current Tax assets (net)	11	7	4
J) Other non-current assets	7	16	77
Total Non-Current Assets			
Current Assets			
Inventories	558	577	698
Financial Assets			
- Trade Receivables	300	470	447
- Cash and cash Equivalents	5	14	2
- Bank Balance	115	27	778
- Loans	6	1	3
- Others financial assets	4	17	19
Other current assets	34	38	101
Total Current Assets			
TOTAL ASSETS	**1,704**	**1,887**	**2,946**

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