



Shivalik Bimetal Controls Ltd.

(A Govt. of India Recognised Star Export House)

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SBCL/BSE & NSE/2024-25/73

06th November, 2024

To, BSE Limited Corporate Relationship Deptt. PJ Towers, 25th Floor, Dalal Street, Mumbai – 400 001 Code No. 513097	To, National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G-Block Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Code No. SBCL
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Sub: Regulation 30: Press Release dated November 6, 2024

Dear Sir/Madam,

Please find attached herewith a copy of the Press Release to be issued by the Company.

The same is also being uploaded on website of the Company at www.shivalikbimetals.com.

You are requested to take the above on record.

Thanking you,

For Shivalik Bimetal Controls Limited

Aarti Sahni
Company Secretary & Compliance officer
M. No: A25690

Encl: As above

Shivalik Delivers Resilient 22.00% EBITDA and 16.27% PAT Margins in H1FY25, with 45% Growth in India's Shunt Segment

New Delhi, India – November 6th, 2024: At a meeting held on November 6th, the Board of Directors of Shivalik Bimetal Controls Ltd. (SBCL) released the financial results for Q2FY25 and H1FY25, showcasing resilience and adaptability amid shifting global economic conditions. Supported by resilient EBITDA and PAT Margins and strategic market expansion, Shivalik is well-positioned to capture growth opportunities in high-demand sectors. While revenue for H1FY25 showed a modest year-over-year decline, sequential growth of 2.18% from Q1FY25 to Q2FY25 reflects positive momentum, particularly in automotive and industrial sectors.

Q2FY25 Financial Performance Summary:

- **Total Income:** Decreased marginally by 2.53% to ₹109.55 Crore from ₹112.40 Crore in Q2FY24, reflecting the impact of gradually recovering market demand in North American market from previous quarters.
- **Profit Before Tax (PBT):** Fell marginally by 3.31% to ₹25.49 Crore compared to ₹26.37 Crore in Q2FY24.
- **PBT as % of Sales:** Decreased marginally by 19 basis points to 23.27%, down from 23.46% in Q2FY24, showcasing margin resilience through a recovering market phase.
- **Profit After Tax (PAT):** Reduced marginally by 2.65% to ₹18.97 Crore from ₹19.49 Crore in Q2FY24,
- **PAT Margin:** Reduced marginally by 02 basis points to 17.32% compared to 17.34% in Q2FY24

H1FY25 Financial Performance Summary:

- **Revenue and Profitability:** Shivalik's revenue for H1FY25 stood at ₹216.77 crore, a slight decline of 3.86% from ₹225.47 crore in H1FY24, reflecting moderated demand in North America with early recovery signals. A diversified geographic strategy has allowed Shivalik to mitigate region-specific impacts, showcasing a resilient revenue model amid broader market challenges.
- **Gross Margin Management:** Gross margin for H1FY25 was 46.57%, down 272 basis points from H1FY24's 49.29%. This reduction is primarily due to a shift in product mix toward high-demand, lower-margin items, reflecting Shivalik's strategic focus on maintaining revenue stability and relevance in evolving markets, while prudently managing profitability.
- **Operational Efficiency and Profit Discipline:** Profit Before Tax (PBT) for H1FY25 declined by 11.09% to ₹47.24 crore from ₹53.14 crore in H1FY24, impacted by

softer revenue and increased input costs. However, Shivalik's effective cost containment has limited the PBT margin reduction to 178 basis points, underscoring operational efficiency in challenging conditions.

- **PAT Margin Resilience:** Despite the revenue and input cost pressures, Shivalik achieved a PAT margin of 16.27% for H1FY25, a marginal decrease of 135 basis points from H1FY24's 17.62%. This relatively stable PAT margin underscores Shivalik's disciplined approach to managing net profitability, reflecting successful bottom-line focus even as gross and EBITDA margins experienced greater fluctuations.
- **EBITDA Margin Resilience:** The EBITDA margin moderated to 22.00% from 25.20%, a reduction of 320 basis points, reflecting external cost pressures. Nonetheless, effective expense management has maintained EBITDA at a solid level, positioning Shivalik for potential margin recovery as North American demand strengthens.

(Rs. In crore) (Standalone Figures)

Key Figure	Q2FY2025	Q2FY2024	Change	H1FY25	H1FY24	Change
Total Income	109.55	112.40	-2.53%	216.77	225.47	-3.86%
Profit before tax	25.49	26.37	-3.31%	47.24	53.14	-11.09%
PBT as % of Sales	23.27%	23.46%	(19) bps	21.79%	23.57%	(178) bps
Profit after Tax	18.97	19.49	-2.65%	35.28	39.72	-11.18%
PAT Margin	17.32%	17.34%	(02) bps	16.27%	17.62%	(135) bps

Strategic Performance Across Segments:

1. Shunt Resistors:

- **India:** Shivalik's Shunt segment in India achieved notable growth, with revenue increasing by 45.27% to ₹34.88 crore in H1FY25. This surge reflects India's growing demand for advanced electrical components, particularly in the automotive and industrial sectors. The strong performance underlines Shivalik's alignment with India's industrial expansion, positioning the company as a preferred partner for high-quality, resilient components.
- **Asia (Excluding India):** In Asia (excluding India), Shivalik registered a substantial 39.18% increase in Shunt revenue, reaching ₹22.45 crore. This growth illustrates the effectiveness of Shivalik's strategic focus on high-growth Asian markets. By actively expanding its regional footprint, the company is capitalizing on the region's rising appetite for precision-engineered components, reinforcing its presence and long-term potential in these markets.
- **Europe:** The Shunt segment in Europe delivered a robust 42.25% growth in H1FY25, achieving ₹14.51 crore. This performance highlights Shivalik's success in penetrating the European market through targeted expansion strategies. Although

Q2 FY25 saw a minor seasonal dip of 3.19%, this is indicative of short-term variability rather than a trend, with the company well-positioned to capture ongoing demand in the region.

- **Americas:** Revenue from Shunt sales in the Americas experienced a 33.04% decline, closing at ₹33.88 crore in H1FY25. While the region faces macroeconomic headwinds, Shivalik is proactively assessing opportunities to reinvigorate growth through enhanced customer engagement and market-specific initiatives aimed at reversing this trend in the upcoming quarters.

2. Thermostatic Bimetal/Trimetal Products:

- **Americas:** In the Americas, the segment saw a minimal decline of 3.23% to ₹22.74 crore, underscoring the product's stability within a mature and largely resilient market. This result suggests steady performance amid broader demand adjustments, with Shivalik's products remaining a staple choice in the region's industrial landscape.
- **Europe:** European sales for Thermostatic Bimetal/Trimetal products declined by 23.56% to ₹16.84 crore, revealing a more pronounced shift in demand. Shivalik views this as an opportunity to re-evaluate its European approach, exploring tailored strategies to reinvigorate sales and align offerings with regional needs, potentially leveraging product innovation to capture renewed interest.
- **India:** India's thermostatic segment experienced a moderate 5.33% reduction to ₹62.76 crore in H1FY25. While reflective of broader market trends, Shivalik's operational efficiencies in India provide a solid foundation to sustain contribution levels. The company remains committed to tapping into India's robust industrial base, maintaining its position as a key supplier to the sector.
- **Asia (Excluding India):** In Asia (excluding India), the Thermostatic Bimetal/Trimetal segment declined by 31.44% to ₹8.70 crore, underscoring the need for a reassessment of market-specific strategies in the region. Shivalik recognizes the potential in Asia's evolving industrial markets and is actively exploring avenues to recalibrate its approach, aiming for sustainable growth and market alignment.

The **H1FY25 financial performance** highlights Shivalik's resilience in a challenging market environment, marked by selective demand softness and cost pressures. Total income for H1FY25 declined by 3.86% to ₹216.77 crore from ₹225.47 crore in H1FY24, primarily influenced by moderated demand in key regions, including the Americas. This revenue contraction was partially offset by strong growth in India and Asia (excluding India), with the Shunt segment in India showing a robust 45.27% increase, underscoring Shivalik's alignment with high-growth sectors. **Profit Before Tax (PBT)** for H1FY25 decreased by 11.09% to ₹47.24 crore, down from ₹53.14 crore in H1FY24, reflecting increased input costs and regional demand variability. The **PBT margin** also saw a reduction of 178 basis points to 21.79% due to heightened cost pressures,

particularly in raw materials. Meanwhile, **Profit After Tax (PAT)** dropped by 11.18% to ₹35.28 crore, compared to ₹39.72 crore in H1FY24, with the **PAT margin** declining by 135 basis points to 16.27%, reinforcing the need for ongoing cost management in the face of market headwinds. Despite these pressures, Shivalik demonstrated operational agility through targeted market expansion and a responsive product mix strategy, leveraging growth opportunities in regions such as India and parts of Asia.

In **Q2FY25**, Shivalik navigated similar challenges as total income decreased by 2.53% to ₹109.55 crore from ₹112.40 crore in Q2FY24. This marginal decline reflects persistent market volatility and regional demand adjustments. However, notable increases in certain regions, such as a 45.89% rise in Shunt sales in Asia (excluding India), signal Shivalik's effective regional focus. **PBT** in Q2FY25 experienced a slight contraction of 3.31% to ₹25.49 crore from ₹26.37 crore in Q2FY24, with **PBT as a percentage of sales** decreasing by 19 basis points to 23.27%, indicative of targeted cost pressures impacting margins. **PAT** declined by 2.65% to ₹18.97 crore, down from ₹19.49 crore in Q2FY24, while the **PAT declined** slightly by 02 basis points to 17.32%, signalling stable profitability amidst headwinds. Through effective cost management and strategic market alignment, Shivalik has shown resilience, leveraging growth in key segments and regions to support stable performance despite external pressures.

Management Commentary:

Mr. N. S. Ghumman, Managing Director, commented:

"Our H1FY25 performance—highlighted by 45% growth in India's Shunt segment and resilient 22.0% EBITDA and 16.27% PAT margins—demonstrates the strength of our strategic approach amid global challenges. As we navigate evolving markets, our commitment to research and development remains central to our growth. R&D not only enriches our existing product lines but drives innovations aligned with emerging demands in critical sectors such as electric vehicles and smart metering.

Our commitment to Europe a key regional growth frontier is driven by our recent establishment of a wholly-owned subsidiary in Italy, allowing us to operate with increased agility and directly engage the market. This strategic move not only fortifies our European presence but also streamlines our cost structure by eliminating agency commissions. By leveraging our dual offerings in Shunt and Bimetal products, we are well-positioned to capture additional market share and enhance profitability across the region.

On the recent changes in leadership roles announced earlier at the last AGM, he added "Reflecting on Shivalik's journey from its beginnings to becoming a global leader, it's incredibly fulfilling to see the next generation guiding us forward, grounded in our core values of resilience, adaptability, and innovation. The recent backing from esteemed institutional investors further validates our growth trajectory and strategic vision. With strong recognition and approvals base across North America, India, and Asia, I am confident that Shivalik is well-positioned to adapt to an evolving marketplace, continuing to deliver high-quality, resilient components and nurturing valued partnerships worldwide."

Mr. Rajeev Ranjan, CFO, added:

"Our H1FY25 and Q2FY25 results reflect Shivalik's sustained profitability through disciplined financial management and strategic market positioning, even in a dynamic and evolving global environment. While total income for H1FY25 recorded a modest 3.86% decline year-over-year, we achieved a respectable 22.00% EBITDA and 16.27% PAT margin, underscoring our focus on cost efficiency and operational stability. Encouragingly, sales momentum increased positively by 2.18% from Q1FY25 to Q2FY25, reflecting a steady and gradual recovery in demand in the automotive and industrial sectors across the world.

With respect to Europe, he explained "Our market strategy remains focused on aligning product offerings with regional demand dynamics, especially in sectors experiencing adjustments, such as electric vehicles. In Europe, our shift toward direct market engagement, coupled with a streamlined operational approach, positions us to drive operational efficiencies and expand our reach effectively. This pivot not only enhances our presence but also allows us to maximize the potential of our Shunt and Bimetal products in a high-growth region. The recent addition of senior leadership to oversee regional marketing will further reinforce our commitment to long-term growth in Europe.

With proactive focus on operational efficiencies, Shivalik continues to be well positioned to leverage emerging opportunities. With careful financial management and a flexible approach, we're consistently creating value and are ready to drive sustainable growth across all our major markets."

Shivalik Bimetal Controls Ltd.

Founded in 1984, and headquartered out of New Delhi, Shivalik Bimetal Controls Limited is a process and product engineering specialised business based in India. It manufactures and sells thermostatic bimetal/trimetal strips for switching components used in electrical, electronics, automotive, and industrial applications. The Company also makes shunt resistors for use in the high-growth automotive and industrial equipment segments. The rising demand for switchgear, battery management and smart metering systems also conveys solid long-term prospects for Shivalik's product lines. With its unique business model based on proprietary bimetal technologies and niche solutions that OEMs demand, Shivalik thrives in an industry with high entry barriers. Today, as a valued vendor, the Company is making a mark in supplying high-quality bimetals and shunt resistors to the fast-emerging electric vehicles and customisable smart meters of the future,

Shivalik's highly experienced management has led the Company to prominent ownership in technology and applications. Its solid balance sheet, combined with prudent capital management, drives Shivalik's robust growth potential. With plants in Chambhaghat and Kather, Solan, operated by a team of 875 vastly skilled people, Shivalik serves more than 275 clients globally.

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