



PG ELECTROPLAST LIMITED

CIN-L32109DL2003PLC119416

Unit-IV

A-20/2, MIDC Supa, Taluka Parner
Distt. Ahmednagar, Maharashtra-414301, India
Phone : 02488-213343 E-mail # info@pgel.in
Website # www.pgel.in

August 12, 2022

To,
The Manager (Listing)
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

To,
The Manager (Listing)
National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051

Scrip Code: 533581

Scrip Symbol: PGEL

Sub: Investor Presentation

Dear Sir/Madam,

We enclose a copy of Investor Presentation on Unaudited Financial Results of the Company for the quarter ended on June 30, 2022.

This is for your information and record please.

Thanking you,

For **PG Electroplast Limited**


(Sanchay Dubey)
Company Secretary



■ **Registered Office**
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DLF Tower-B, Jasola
New Delhi-110025
Tele-Fax # 011-41421439

PG Electroplast

Company Update

1Q FY2023, Aug. 2022



Disclaimer

This presentation has been prepared for informational purposes only. This Presentation does not constitute a prospectus, Offering circular or offering memorandum and is not an offer or initiation to buy or sell any securities, nor shall part or all of this presentation form the basis of, or to be relied on in connection with any contract or investment decision in relation to any securities.

This Presentation contains forward looking statements based on the currently held beliefs of the management of the company which are expressed in good faith and in management's opinion are reasonable. The forward looking statements may involve known and unknown risks, uncertainty and other factors which may cause the actual results, financial condition, performance or achievements of the Company or industry to differ materially from those in forward-looking statements.

These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward looking statements.

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Introduction



Quarterly Financials



Quarterly - Key Metrics



Strategy & Outlook

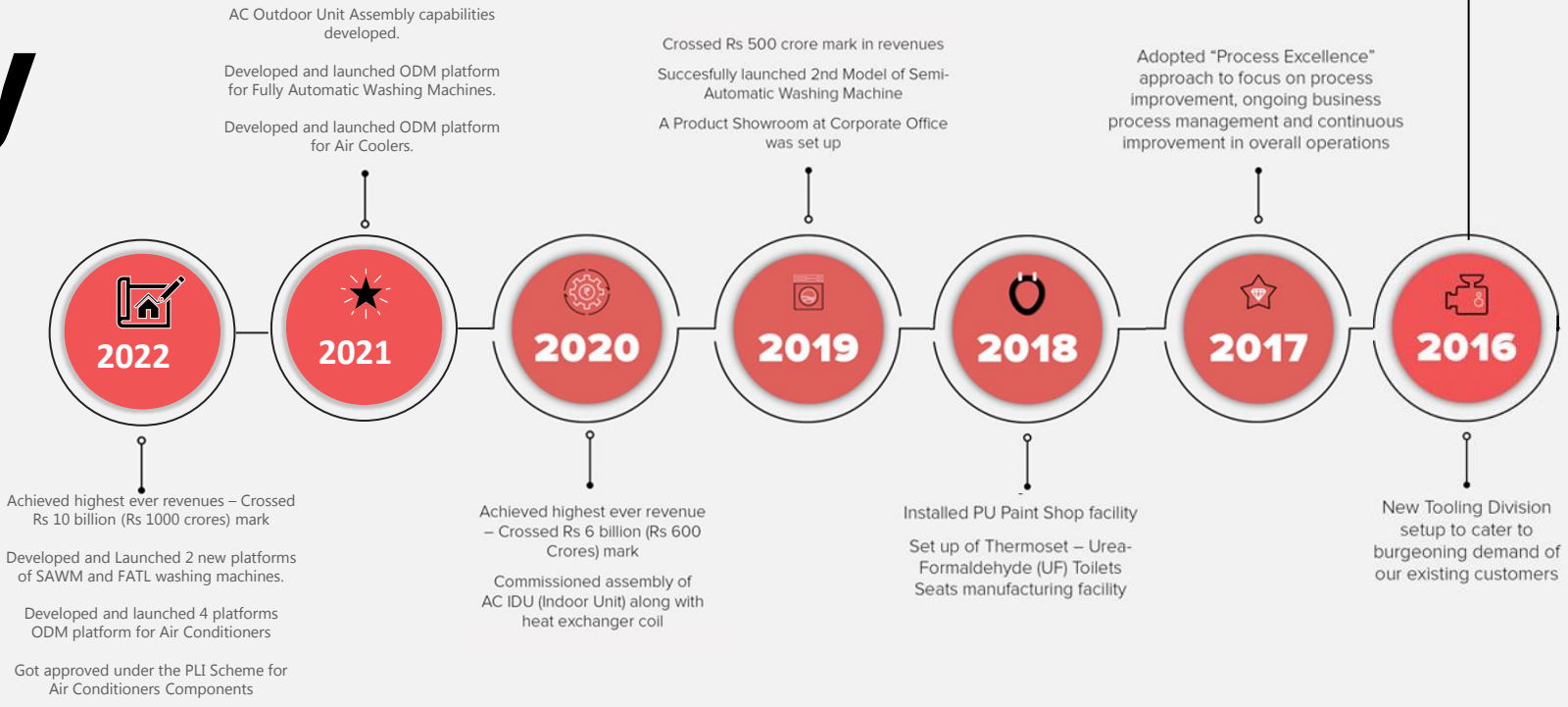
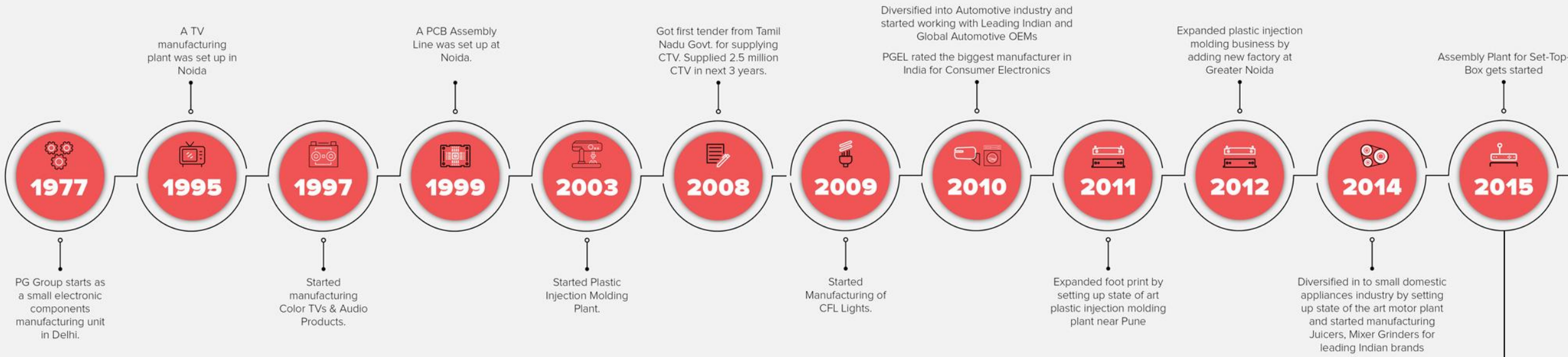


Historical Financials

About PG Electroplast Limited

- **PG Electroplast Limited (PGEL)** is the flagship company of PG Group. While the PG Group had **started its journey in 1977**, PG Electroplast was formally set up in 2003 and is a leading, diversified Indian **Electronic Manufacturing Services** provider.
- PGEL specializes in **Original Design Manufacturing (ODM)**, **Original Equipment Manufacturing (OEM)** and **Plastic Injection Molding**, catering to **40+ leading Indian and Global brands**.
- **PG Technoplast Private Limited (PGTL)** is a **wholly owned subsidiary of PG Electroplast** which is engaged in the business of manufacturing **Room Air Conditioners** and **various components** for the **Consumer Durables** and **Consumer Electronics** industries.
- PG has **eight manufacturing units** across **Greater Noida** in Uttar Pradesh, **Roorkee** in Uttarakhand and **Ahmednagar** in Maharashtra and has **3000+ employees**.
- The company is **pursuing an organic growth strategy** by ramping up its existing capacity and capabilities in each of its product verticals to achieve **higher value addition**, **better economies of scale** on the back of a push towards exhaustive **backward integration**.

Our Journey



Industries Served



**Air
Conditioners**



**Washing
Machines**



**LED
Televisions**



**Air
Coolers**



**Automotive
Components**



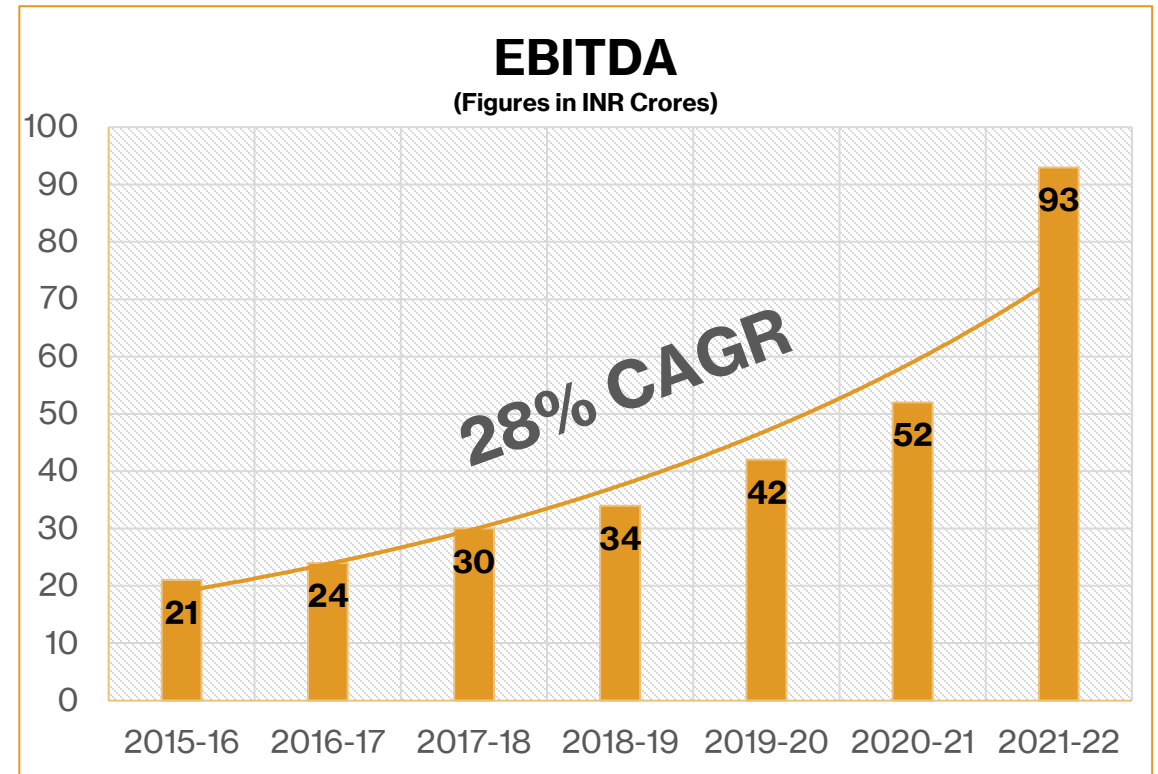
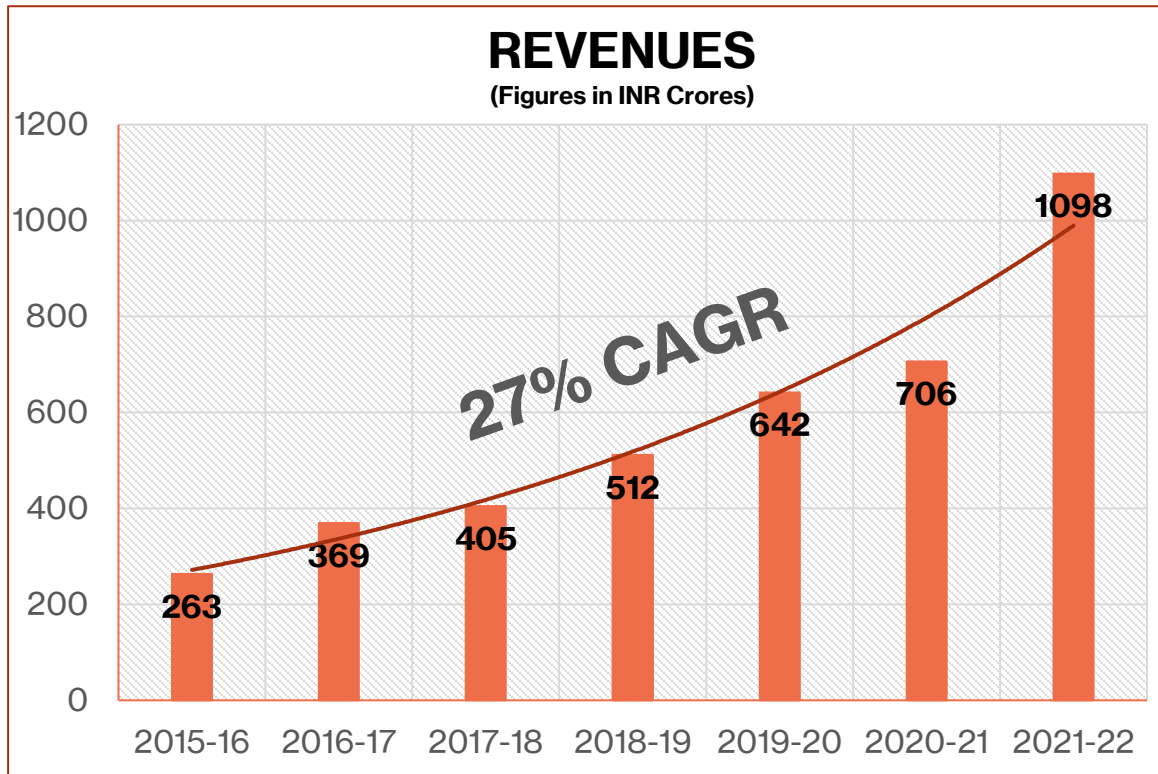
**Bathroom
Fittings**



**Consumer
Electronics**

Key Financials

- The Company has **grown more than 4x in six years** from a revenue of **INR 263 crores in 2015-16**, to **INR 1098 crores in 2021-2022** at a **27% CAGR** with the **EBITDA** increasing at a **28% CAGR**.
- Over the **past six years**, the company has done a cumulative **Capital Expenditure of close to INR 400 Crores**, that has now significantly raised its growth potentials.



Key Clients



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1QFY2023 Consolidated Profit & Loss Highlights

- **1QFY2022** Sales stand at Rs 535 crores with a 289% YoY growth. EBITDA growth stands at 290% YoY. **Product Business** crossed 315 crores and constituted 59% of the sales for the quarter.
- **Ex of forex loss**, Operating margins are flat QoQ and Improved YoY, due to operating leverage.
- **The Orderbook** for product business is **strong for FY23** and **company remains confident** on the outlook.

(Figures in ₹ million)	FY2022 Q1	FY2023 Q1	Growth (%) YoY	FY2022 12M
Revenue	1375	5352	289.3%	10977
EBITDA	97	376	289.9%	927
Net Profit	6	164	26.4x	374
Diluted EPS (in Rs.)	0.30	7.69	24.3x	17.6

1QFY2023 Balance sheet - Consolidated

(Figures in ₹ million)

A. EQUITY AND LIABILITIES	As on 30.06.2022	As on 31.03.2022	B. ASSETS	As on 30.06.2022	As on 31.03.2022
(a) Share capital	212.2	212.2	(a) Fixed assets	4422.5	4409.6
(b) Reserves and surplus	3080.4	2910.7	(b) Capital Work in Progress	114.4	48.9
Sub-Total - Shareholders' Funds	3292.6	3123.0	(c) Other Financial Assets	97.9	90.6
(a) Long-term borrowings	1637.6	1717.8	(d) Other non-current assets	162.4	55.4
(b) Long-term provisions	395.4	362.2	Sub-Total - Non-Current Assets	4797.2	4604.5
Sub-Total - Non-Current Liabilities	2033.0	2080.0	(a) Inventories	2354.0	2860.3
(a) Short-term borrowings	1776.7	2120.7	(b) Trade receivables	2162.3	2133.3
(b) Trade payables	2860.7	2692.1	(c) Cash and cash equivalents	447.7	391.8
(c) Other current liabilities	370.2	445.3	(d) Short-term loans and advances	5.7	27.5
(d) Short-term provisions	156.1	224.2	(e) Other current assets	722.6	667.8
Sub-Total - Current Liabilities	5163.6	5482.3	Sub-Total - Current Assets	5692.3	6080.7
TOTAL - EQUITY AND LIABILITIES	10489.4	10685.3	TOTAL-ASSETS	10489.4	10685.3

- The **working capital has normalised** due to Inventory due to Inventory correction leading to Net Debt coming down for the quarter.
- The **Capital Efficiency remains the focus area of the company** and **Overall Asset Turns will continuously improve** as asset sweating of new capacities increases.

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Financial Metrics

- **Operating profit margins ex-of forex loss** have remained largely stable, **Softening commodity prices and Operating Leverage in coming quarters should help the margins in rest of the year.**
- **Working capital has normalized & some working capital debt** has been **repaid** during the quarter.
- **Revenue growth outlook is improving**, while the overall **margin outlook is stable.**

Key Ratios	FY2022 Q1	FY2022 Q4	FY2023 Q1	FY2022 12M
Operating profit Margin (%)**	6.62%	7.24%	6.51%	6.88%
Net Profit Margin (%)	0.43%	5.53%	3.06%	3.41%
DSO (Days)	44.6	70.9	52.8	70.9
Inventory (Days)	74.7	118.1	70.2	118.1
ROCE (%)***	15.5%	16.3%	20.1%	16.3%

** **past margins** are restated due to accounting change and taking forex gain/loss in operational cost

*** **RoCE calculation is based on TTM Basis** for all periods

Business Breakup

- The **Washing Machine (WM) and AC Business** have seen **robust growth**, **WM business grew 271%**, while **AC business crossed Rs 250 crores during the quarter**. We continue to invest in **R&D and Product development** in both AC and WM businesses.
- **Products business** remains the **focus area** and **growth driver** for the company in coming years.
- **For FY2023**, the company has planned **significant Capex** towards **product development** and capacity creation to **double its capacity across the products business**.

	Q1FY22	Q4FY22	Q1FY23	FY2022
Plastic Moulding	62%	39%	36%	50%
Electronics	5%	9%	4%	6%
- LED TV	0%	9%	3%	5%
Mould Manufacturing	0%	0%	0%	0%
Product sale	33%	53%	59%	44%
Total	100%	100%	100%	100%

Major Highlights of 1QFY23

- **1QFY2023** was another landmark quarter as **Consolidated Sales crossed Rs 500 crores** for the company.
- The **Product business contributed 58.9% of the total revenues** in 1QFY23. **Room AC business crossed Rs 250 crores during the quarter** and achieved highest ever quarterly sales. The **Washing Machines business for the quarter had a growth of 271% YoY** and **company sold over 1 Lakh washing machines** during the quarter.
- **Order book for product business remains robust** and the company is on track to **scale the product business significantly in FY2023**.
- During the quarter, **operating margins are lower due to mix change** and also an **accounting policy change** of recognizing the **forex loss** as a part of operational expense rather than taking it into exceptional loss.
- On Balance sheet side, **net debt has been reduced by almost Rs 49 crores**. **Inventory and working capital days** have normalised.
- **R&D, New Product Development and Capacity Enhancement** are the **focus areas for FY23** across product businesses. Company plans to **strengthen its product offerings further** in FY23.
- A **~1.5 MW Solar Power Plant** has been commissioned and is **now operational** at **PG Technoplast's Supa location** and will meet **over 40% of the peak electricity demands** of the unit.
- Company is seeing **increased interest for business** from **new and existing clients**, and we remain **very confident on the future growth prospects** of the business.

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Industry Outlook

Government reforms such as Digital India, Make in India, Power for all and Jan Dhan-Aadhar-Mobile Trinity are providing fresh impetus to the Consumer appliance and durable Industry

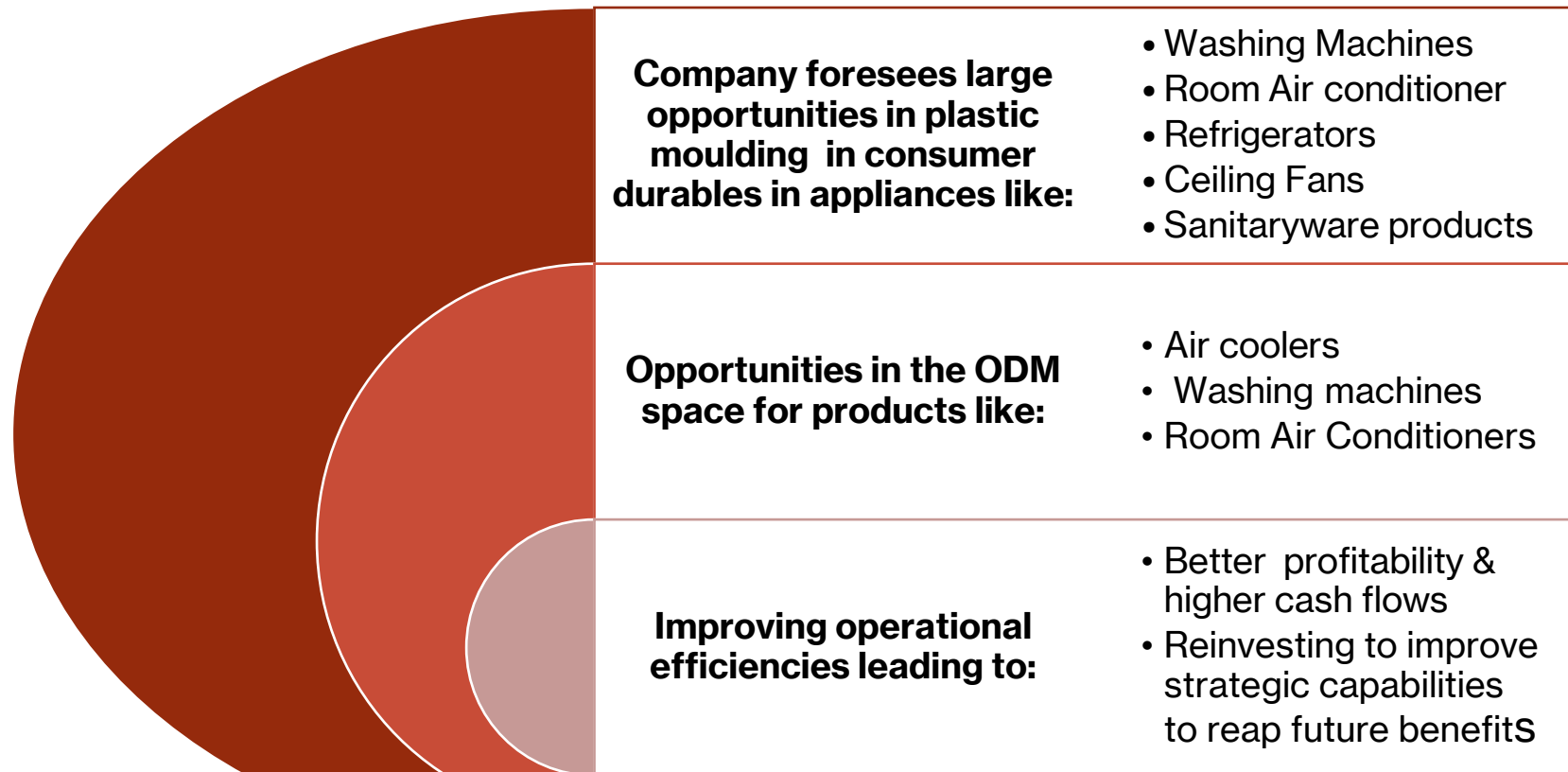
The Rapid rate of urbanization, growth of young population with rising income levels is leading to large emerging middle class in India. Implying huge potential demand for the consumer appliance and durable market in coming years.

Low penetration levels, falling prices of durables and electronics and changing lifestyle of the Indian consumer are expected to remain big demand drivers for the consumer durable and electronics Industry in India in near future.

Further the Government's initiatives of promoting electronic manufacturing and treating the industry as one of the key pillars of the Digital India Program, opens new and exciting opportunities for the Industry

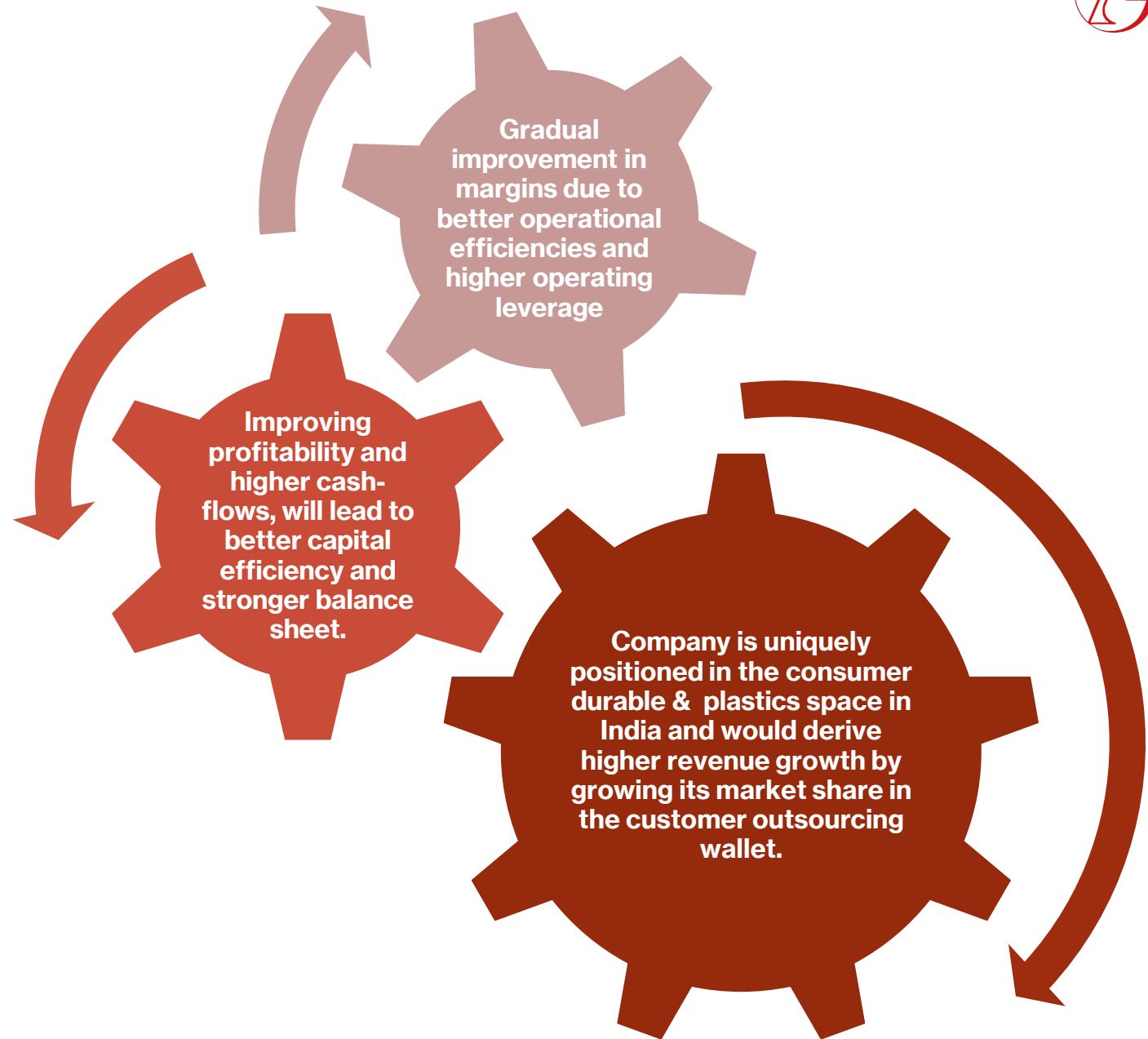
The Management is enthused about the overall opportunity size and anticipates high growth rates in the industry segments where, company has presence.

Future Growth Strategy



Future Outlook

- **Product business** to **drive growth** for the company
- Company is developing **new offerings** in **focus segments** and will be launching the same in coming quarters
- Company's management see **exciting times ahead** for all its business segments.



Guidance for FY23

- **Maintain Sales guidance of INR 1800 crores** which is a **growth of 64%** over FY2022 consolidated sales.
- **Operating profit guidance of INR 126 crores** which is a **growth of 69%** over FY2022 operating profit of Rs 75.5 crores.
- Operating **margins across segments should see improvement due to operating leverage** but **mix change** may limit overall improvement in reported margins
- The **growth in product business** i.e., WM, RAC and Coolers is expected to be ~120% to **over INR 1050 crores from INR478 crores** in FY2022.
- **Capex for FY2023 will also be in the range of 130-140 crores** and Company will **double its washing machines capacity**, while also **expand Room AC (RAC) capacity** significantly to **200,000 Indoor Units and 100,000 outdoor units per month**, along with **further backward integration** by adding the set-up for **RAC controllers**.

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Profit & Loss Statement

Figures in ₹ million	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22
Net Sales	2,603	3,664	3,994	5,084	6,394	7032	10977
Growth (%)	9.0%	40.8%	9.0%	27.3%	25.8%	10.0%	56.1%
Expenditure	2,422	3,456	3,749	4,777	5,993	6534	10232
Increase/Decrease in Stock	(48)	19	(109)	(41)	(70)	32	(291)
Raw Material Consumed	1961	2792	3200	4032	5108	5533	9131
Power & Fuel Cost	97	115	117	144	166	161	206
Selling and Distribution Expenses	35	51	55	62	68	39	71
Manufacturing Expenses	127	85	71	79	85	126	163
Personnel Costs	262	329	349	401	539	550	779
Administrative Expenses	29	41	42	44	54	61	100
Miscellaneous Expenses	18	26	25	56	45	32	73
Operating Profit	180	207	246	307	399	498	745
OPM (%)	6.9%	5.7%	6.1%	6.0%	6.2%	7.1%	6.8%
Growth (%)	54.9%	14.7%	18.6%	24.9%	30.1%	24.7%	50.5%
(+) Other income	32	31	53	32	25	26	182
EBDITA	213	238	299	339	424	524	927
(-) Depreciation	97	106	117	134	163	180	221
EBIT	116	133	181	205	261	344	706
1 (-) Interest & Finance charges	97	99	106	103	148	184	225
(-) Exceptional Expenses	0	0	0	0	(20)	(8)	9
PBT	19	34	75	102	93	151	490
PAT	19	34	75	100	26	116	374

Balance Sheet

(Figures in ₹ million)

A. EQUITY AND LIABILITIES	As on 31 March						
	2016	2017	2018	2019	2020	2021	2022
(a) Share capital	164	164	164	187	195	197	212
(b) Reserves and surplus	1,032	1,068	1,144	1,504	1,567	1,728	2911
Sub-Total - Shareholders' Funds	1,196	1,232	1,308	1,690	1,762	1,925	3123
(a) Long-term borrowings	422	484	796	501	694	871	1718
(b) Long-term provisions	19	21	33	40	84	135	362
Sub-Total - Non-Current Liabilities	441	506	829	541	778	1006	2080
(a) Short-term borrowings	334	477	356	681	1,039	962	2121
(b) Trade payables	624	745	650	915	1,063	1534	2692
(c) Other current liabilities	144	226	248	224	289	202	445
(d) Short-term provisions	106	115	90	77	69	166	224
Sub-Total - Current Liabilities	1,207	1,562	1,343	1,898	2,461	2,863	5482
TOTAL - EQUITY AND LIABILITIES	2,845	3,299	3,481	4,129	5,001	5794	10685

B. ASSETS	As on 31 March						
	2016	2017	2018	2019	2020	2021	2022
(a) Fixed assets	1456	1620	1785	1921	2532	2731	4410
(b) Capital Work in Progress	19	35	237	341	61	60	49
(c) Other Financial Assets	80	15	23	23	24	33	91
(d) Other non-current assets	67	56	70	67	78	139	55
Sub-Total - Non-Current Assets	1622	1726	2114	2353	2695	2964	4605
(a) Inventories	459	631	593	683	846	926	2860
(b) Trade receivables	541	675	507	847	1012	1473	2133
(c) Cash and cash equivalents	6	42	41	64	180	174	392
(d) Short-term loans and advances	170	176	180	161	213	3	28
(e) Other current assets	48	47	43	20	55	254	668
Sub-Total - Current Assets	1222	1574	1366	1776	2307	2830	6081
TOTAL-ASSETS	2845	3299	3481	4129	5001	5794	10685



Thank You!

We look forward to working with you!

