

July 27, 2022

The Manager Listing Department, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001	The Manager Listing Department, National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra- East, Mumbai- 400 051
Ref:- Scrip Code: 532953	Ref:- Symbol: VGUARD

Dear Sir / Madam,

Sub: Submission of Investor presentation pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

Pursuant to Regulation 30 read with Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we hereby submit the Earnings Presentation on Unaudited Financial Results of the Company for the quarter ended June 30, 2022.

Kindly take the above information on your records.

Thanking You,

For V-Guard Industries Limited



Jayasree K
Company Secretary



Encl: as stated

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V-Guard Industries

Q1 FY23 Earnings Presentation



Disclaimer

Certain statements in this communication may be 'forward looking statements' within the meaning of applicable laws and regulations. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Important developments that could affect the Company's operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.

V-Guard Industries Limited (V-Guard) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.



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Managing Director's Message



Commenting on the performance for Q1 FY23, Mr. Mithun Chittilappilly, Managing Director – V-Guard Industries Limited said, “We are pleased to report a robust start to the fiscal year with consolidated net revenues of Rs. 1,018 crore in Q1, carrying forward the momentum from the previous quarter. This marks the highest ever revenue for us in the first quarter and is the second successive quarter with revenues crossing the threshold of Rs. 1,000 crore. While the Electricals and Consumer Durables segments continued to report strong growth, the Electronics segment has also stepped up to deliver an improved trajectory this quarter enabling strong topline growth from all segments.

During the quarter, we witnessed a broad-based contribution from both South and Non-South markets that witnessed YoY growth of 68.2% and 95.6%, respectively. With a near doubling of revenues from Non-South markets compared to the corresponding quarter last year, the revenue contribution is approaching parity with the South markets.

We continue to face pressure on margins due to commodity price inflation. The significant drop in copper prices during June affected Wires margins and this impact is likely to extend to some part of Q2. Costs of other key commodities have seen some reduction from their peaks, although they are still higher than long term averages. This has obviated the need for further price increases especially in Consumer Durables and we expect gross margins to recover to their normative levels over the next 1-2 quarters.

Inventory levels are beginning to normalize and this has contributed to improved cash flow from operations. Over the next 3-4 months, we expect inventories to fully revert to their normative levels.

Profit after tax has more than doubled on a year-on-year basis and marks a strong start to the fiscal year. V-Guard is well-positioned to build on this performance in the quarters ahead.”

Key Highlights – Q1 FY23



Revenue increased by 80% YoY in Q1 FY23

- Q1 FY23 revenue increased by 80.1% YoY to Rs. 1,009.6 crore.
 - South and Non-South markets witnessed YoY growth of 68.2% and 95.7%, respectively
 - Non-South markets contributed to 46.9% of total revenues in Q1 FY23 as compared to 43.2% in Q1 FY22
-

Strong EBITDA performance and robust increase in PAT

- Gross margin contracted by 330 bps YoY, at 29.8% in Q1 FY23 as high commodity costs continue to exert pressure
 - Ad/promotional spends, at 2.1% of revenues in Q1 FY23 as compared to 2.5% in Q1 FY22 now starting to normalize after dipping
 - EBITDA at Rs. 81.9 crore in Q1 FY23 increased 88.9% YoY, as compared to Rs. 43.4 crore in Q1 FY22
 - EBITDA margins expanded by 40 bps YoY, at 8.1% as compared to 7.7% in Q1 FY22
 - Q1 FY23 PAT of Rs. 54.0 crore, increased 119.3% YoY on the back of scaling of revenue and operational efficiencies
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Strong cash flow generation and balance sheet

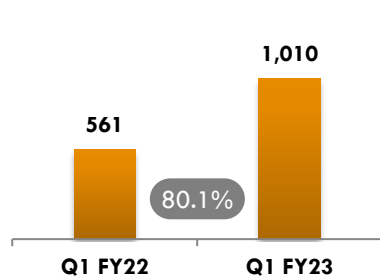
- CFO generation at the end of Q1 FY23 at Rs. 178.1 crore, improved significantly as compared to negative Rs. 101.5 crore at the end of Q1 FY22.
- ROE and ROCE at 17.5% and 22.0%, respectively over the last 12 months
- Net cash of Rs. 173.2 crore on balance sheet as on 30th June 2022, as against Rs. 154.0 crore as on 30th June 2021 on account of improved working capital position.

P&L Snapshot

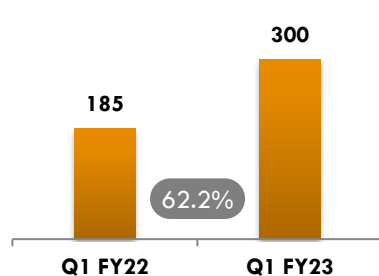
P&L Statement Particulars	Q1 FY23 (Rs. Cr)	Q1 FY22 (Rs. Cr)	Change %	Q4 FY22 (Rs. Cr)	FY22 (Rs. Cr)	FY21 (Rs. Cr)	Change %
Net Revenue	1,009.64	560.72	80.1%	1,050.27	3,474.66	2,699.00	28.7%
COGS	709.27	375.57	88.9%	748.37	2,413.95	1,848.73	30.6%
Gross Margin	29.8%	33.0%	-3.3%	28.7%	30.5%	31.5%	-1.0%
EBITDA (excluding other income)	81.89	43.36	88.9%	110.82	332.14	306.49	8.4%
as a % to Net Revenue (NR)	8.1%	7.7%	0.4%	10.6%	9.6%	11.4%	-1.8%
Other Income (including finance income)	5.06	3.97	27.4%	3.30	12.93	21.10	-38.7%
EBITDA including other income	86.95	47.33	83.7%	114.13	345.07	327.59	5.3%
as a % to NR	8.6%	8.4%	0.2%	10.9%	9.9%	12.1%	-2.2%
PBT	72.33	34.91	107.2%	100.24	290.05	284.67	1.9%
as a % to NR	7.2%	6.2%	0.9%	9.5%	8.3%	10.5%	-2.2%
PAT	54.02	24.63	119.3%	90.60	226.80	198.98	14.0%
as a % to NR	5.4%	4.4%	1.0%	8.6%	6.5%	7.4%	-0.8%

Financial Highlights (Q1 FY23 vs. Q1 FY22)

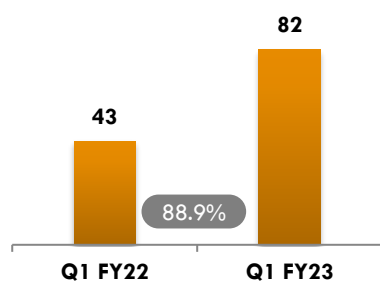
Total Income (Rs. crore)



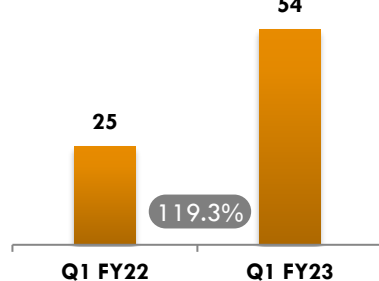
Gross Profit



EBITDA (Rs. crore)



PAT (Rs. crore)



Key ratios (%)	Q1 FY23	Q1 FY22
Gross Margin	29.8%	33.0%
EBITDA Margin (excl. other income)	8.1%	7.7%
Net Margin	5.4%	4.4%
Ad & Promotion Exp./ Total Revenues	2.1%	2.5%
Employee Cost/ Total Operating Income	7.7%	10.3%
Other Expenditure/ Total Operating Income	14.0%	15.0%
Tax rate	25.3%	29.5%
Diluted EPS (Rs.)	1.24	0.57

Financial Highlights – Balance Sheet Perspective

Balance Sheet Snapshot (Rs. Cr)	30 June 2022	31 March 2022	30 June 2021
Net Worth	1,460.7	1,402.5	1,236.1
Gross Debt	10.0	10.0	10
Cash & Cash Equivalents (inc. bank balance)	113.1	53.9	164.0
Net Cash Position (Rs. crore)	173.2	43.9	154.0
Fixed Assets	422.6	416.5	379.1

Balance Sheet Snapshot (Rs. Cr)	30 June 2022	31 March 2022	30 June 2021
Debtor (days)*	34	50	35
Inventory (days)*	108	129	123
Creditor (days)*	58	73	52
Working Capital Turnover (days)	84	106	106
RoE* (%)	17.5%	16.2%	17.8%
RoCE* (%)	22.0%	20.3%	24.2%

Note: *Calculations are on a trailing twelve month basis

Segment-wise Breakup – Q1 FY23 vs. Q1 FY22



Segment Revenue	Q1 FY23 (Rs. Cr)	Contribution (%)	Q1 FY22 (Rs. Cr)	Contribution (%)	YoY growth (%)
Electronics	303.4	30.0%	159.0	28.4%	90.8%
Electricals	407.2	40.3%	252.0	44.9%	61.6%
Consumer Durables	299.1	29.6%	149.7	26.7%	99.7%
Grand Total	1009.6	100.0%	560.7	100.0%	80.1%

Segment Result	Q1 FY23 (Rs. Cr)	Margin (%)	Q1 FY22 (Rs. Cr)	Margin (%)	YoY growth (%)
Electronics	44.0	14.5%	20.7	13.0%	112.6%
Electricals	27.8	6.8%	23.7	9.4%	17.2%
Consumer Durables	3.8	1.3%	-5.9	-3.9%	164.8%
Grand Total	75.6	7.5%	38.5	6.9%	96.3%

Electronics – Stabilizers, UPS, Inverters

Electricals – Wires, Pumps, Switchgears, Modular Switches

Consumer Durables – Fans, Water Heaters, Kitchen Appliances, Air Coolers

Geographical Breakup of Revenues



Region	Q1 FY23 (Rs. Cr)	Contribution (%)	Q1 FY22 (Rs. Cr)	Contribution (%)	YoY growth (%)
South	535.6	53.1%	318.4	56.8%	68.2%
Non-South	474.0	46.9%	242.3	43.2%	95.7%
Total Revenue	1,009.6	100%	560.7	100%	80.1%







Annexure

Market Overview of V-Guard's Product Portfolio



Electronics	Product	Total Market Size (Rs. Crs.)	Indicative Org. Market Size (%)	Industry Growth Rate (%)	VG Share in Org. Market (%)	Key Players
	Stabilizers	1,700-1,800	55-60%	7-8%	42-45%	Microtek, Livguard, Bluebird
	DUPS & Battery	11,500 -12,000	65-70%	8-10%	4-6%	Luminous, Microtek, Exide

Electricals	Product	Total Market Size (Rs. Crs.)	Indicative Org. Market Size (%)	Industry Growth Rate (%)	VG Share in Org. Market (%)	Key Players
	House Wiring Cables	16,500 -17,000	62-65%	8-10%	6-8%	Polycab, Finolex, Havells
	Switchgears*	3,000-3,500	75-80%	8-10%	3-5%	Havells, Legrand, Schneider
	Modular Switches	6,000-6,500	70-75%	8-10%	**	Anchor, Legrand, Havells
	Pumps*	3,000-3,500	60-65%	5-8%	8-10%	Crompton, Kirloskar, CRI

*Market estimates of VG active product segments only | ** Recent entry/ Growth plan under activation

Market Overview of V-Guard's Product Portfolio

Appliances	Product	Total Market Size (Rs. Crs.)	Indicative Org. Market Size (%)	Industry Growth Rate (%)	VG Share in Org. Market (%)	Key Players
	Water Heaters	2,500-2,600	65-70%	10-12%	14-16%	Havells, Bajaj, Crompton, Racold
	Electric Fans	9,200-9,500	75-80%	8-10%	3-5%	Crompton, Usha, Havells, Orient Bajaj
	Solar Water Heaters	500-600	60-65%	6-8%	14-16%	Sudarshan Saur, Supreme Solar
	Air Coolers	4,500-5,000	30-35%	15-20%	**	Symphony, Bajaj, Voltas
	Kitchen Appliances - <ul style="list-style-type: none"> Mixer Grinders Gas Stoves Water Purifiers Other Small Kitchen Appliances# 	12,000-14,000	65-75%	8-10%	**	Mixer Grinders - Bajaj, Preethi, Prestige Gas Stoves - Stovekraft, Sunflame, Butterfly Water Purifiers - Eureka Forbes, Kent RO, HUL Pureit Others - Faber, Bajaj, Havells

Includes Induction Cooktop, Rice Cooker, Sandwich Makers, Toasters, Grills, Kettles, Chimneys, etc.

** Recent entry/ Growth plan under activation

About V-Guard Industries

V-Guard Industries Limited (BSE:532953, NSE: VGUARD) is a Kochi based company, founded in 1977 by Kochouseph Chittilapilly to manufacture and market Voltage stabilizers. The Company has since then established a strong brand name and aggressively diversified to become a multi-product Company catering to the Light Electricals sector manufacturing Voltage stabilizers, Digital UPS systems & Batteries, Pumps, House wiring cables, Switch gears, Modular switches, Electric water heaters, Fans, Solar water heaters, Air coolers and various Kitchen appliances.

V-Guard outsources ~ 50% of its product profile while the rest are manufactured in – house while keeping a strong control in designs and quality. It has manufacturing facilities at Coimbatore (Tamil Nadu), Kashipur & Roorkee (Uttarakhand), Kala Amb (Himachal Pradesh) and Sikkim.

V-Guard has been a dominant player in the South market, though the last ten years have also seen the Company expanding rapidly in the non-South geographies with their contribution increasing from 5% of total revenues in FY08 to around 42% of total revenues in FY21. Significant investments continue to be made to expand its outlet coverage in the non-South geographies and become a dominant pan-India player.

V-Guard has a diversified client base and an extensive marketing & distribution network. Its client base differs from product to product and includes direct marketing agents, distributors and retailers. The Company today has a strong network of 31 branches which cover ~40,000+ retailers across the country.



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THANK YOU