

October 31, 2023

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
Scrip Code: 532953	Symbol: VGUARD

Dear Sir/Madam,

Sub: Investor Presentation pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 read with Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit Investor Presentation on Un-Audited Financial Results of the Company for the quarter and half year ended September 30, 2023.

We request you to kindly take the above information on record.

Thanking You,

Yours Sincerely,

For V-Guard Industries Limited

Vikas Kumar Tak
Company Secretary & Compliance Officer
Membership No. FCS 6618



Encl: As above

V-Guard Industries

Q2 FY24 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 Q2 FY24, Mr. Mithun Chittilappilly, Managing Director – V-Guard Industries Limited said, *“The second quarter witnessed subdued consumer demand especially in discretionary categories like consumer durables thereby impacting topline growth. We have reported consolidated Net revenues of Rs. 1,134 crore in Q2, higher by 14.9% on a year-on-year basis. Excluding the revenues from Sunflame, like-for-like revenue growth is 8.7% YoY.*

The Electronics segment continues to lead the growth with revenues rising 12.1% year-on-year followed by Electricals where revenues were higher by 9.6% year-on-year. While Consumer Durables growth has slowed to 5.1% year-on-year, we continue to make progress towards achieving scale in key Durable categories.

In Q2, the South market grew by 6.7% YoY while the Non-South markets grew by 11.3% YoY. As Non-South markets continue to grow in double digits, their contribution to revenues has increased to 43.8%, indicating the enhanced scale for V-Guard across all regions of the country.

Continued softening in commodity prices has meant that gross margin improved further during the quarter and is now moving closer towards the pre-covid levels.

Further reduction in working capital has enabled cash generation to remain strong during the quarter, even as we continue to invest in augmentation of capacity and enhancement of capabilities for the long term.

Consumer response for some of our recent product launches has been positive and we expect a strong topline growth in the second half of the year.”

Key Highlights – Q2 FY24



Revenue increased by 14.9% YoY in Q2 FY24

- Q2 FY24 revenue increased by 14.9% YoY to Rs. 1,133.75 crore
 - South markets witnessed a YoY growth of 6.7% whereas Non-South markets grew by 11.3% in Q2 FY24
 - Non-South markets contributed to 43.8% of total revenues in Q2 FY24 as compared to 42.7% in Q2 FY23
-

EBITDA performance and PAT

- Gross margin expanded by 450 bps YoY, at 33.8% in Q2 FY24 with continued moderation in input costs
 - Ad/promotional spends, at 2.2% of revenues in Q2 FY24 as compared to 2.2% in Q2 FY23
 - EBITDA at Rs. 92.49 crore in Q2 FY24 grew 26.5% YoY, as compared to Rs. 73.13 crore in Q2 FY23
 - EBITDA margins expanded by 80 bps YoY, at 8.2% as compared to 7.4% in Q2 FY23
 - Q2 FY24 PAT increased 35.0% YoY to Rs. 58.95 crore
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Robust cash flow generation and balance sheet

- CFO generation for H1 FY24 at Rs. 333.66 crore, improved significantly as compared to Rs. 227.77 crore for H1 FY23 on account of reduction in working capital
- ROE and ROCE at 12.8% and 13.8%, respectively over the last 12 months
- Net debt has increased to Rs. 158.96 crore as on 30th September 2023, as against net cash of Rs. 160.57 crore as on 30th September 2022. This is due to funding requirements for the Sunflame acquisition.

P&L Snapshot (including Sunflame)



P&L Statement	Q2 FY24	Q2 FY23	Change	Q1 FY24	H1 FY24	H1 FY23	Change
Particulars	(Rs. Cr)	(Rs. Cr)	%	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	%
Net Revenue	1,133.75	986.55	14.9%	1,214.76	2,348.51	2,005.05	17.1%
COGS	750.92	697.73	7.6%	819.91	1,570.83	1,410.59	11.4%
Gross Margin	33.8%	29.3%	4.5%	32.5%	33.1%	29.6%	3.5%
EBITDA (excluding other income)	92.49	73.13	26.5%	104.75	197.24	155.37	26.9%
as a % to Net Revenue (NR)	8.2%	7.4%	0.8%	8.6%	8.4%	7.7%	0.7%
Other Income (including finance income)	14.16	2.87	393.4%	11.79	25.95	7.78	233.5%
EBITDA including other income	106.65	76.00	40.3%	116.54	223.19	163.15	36.8%
as a % to NR	9.4%	7.7%	1.7%	9.6%	9.5%	8.1%	1.4%
PBT	77.53	59.16	31.0%	85.91	163.44	130.82	24.9%
as a % to NR	6.8%	6.0%	0.8%	7.1%	7.0%	6.5%	0.5%
PAT	58.95	43.66	35.0%	64.22	123.17	97.03	26.9%
as a % to NR	5.2%	4.4%	0.8%	5.3%	5.2%	4.8%	0.4%

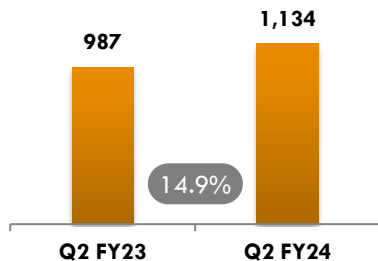
P&L Snapshot (excluding Sunflame)



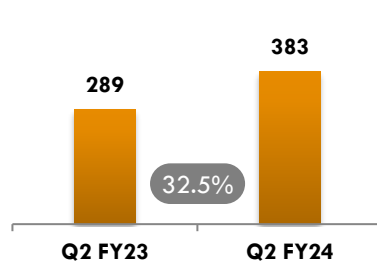
P&L Statement Particulars	Q2 FY24 (Rs. Cr)	Q2 FY23 (Rs. Cr)	Change %	Q1 FY24 (Rs. Cr)	H1 FY24 (Rs. Cr)	H1 FY23 (Rs. Cr)	Change %
Net Revenue	1,072.03	986.55	8.7%	1,151.61	2,223.64	2,005.05	10.9%
COGS	710.88	697.73	1.9%	778.98	1,489.86	1,410.59	5.6%
Gross Margin	33.7%	29.3%	4.4%	32.3%	33.0%	29.6%	3.4%
EBITDA (excluding other income)	87.23	73.13	19.3%	97.25	184.48	155.37	18.7%
as a % to Net Revenue (NR)	8.1%	7.4%	0.7%	8.4%	8.3%	7.7%	0.6%
Other Income (including finance income)	13.53	2.87	371.4%	11.32	24.85	7.78	219.4%
EBITDA including other income	100.76	76.00	32.6%	108.57	209.33	163.15	28.3%
as a % to NR	9.4%	7.7%	1.7%	9.4%	9.4%	8.1%	1.3%
PBT	73.89	59.16	24.9%	80.14	154.03	130.82	17.7%
as a % to NR	6.9%	6.0%	0.9%	7.0%	6.9%	6.5%	0.4%
PAT	56.31	43.66	29.0%	59.91	116.22	97.03	19.8%
as a % to NR	5.3%	4.4%	0.9%	5.2%	5.2%	4.8%	0.4%

Financial Highlights (Q2 FY24 vs. Q2 FY23)

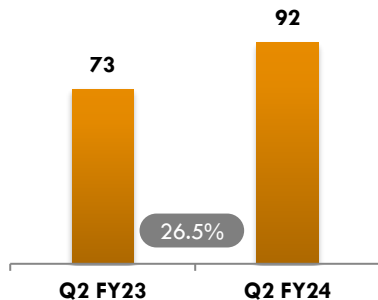
Revenue (Rs. crore)



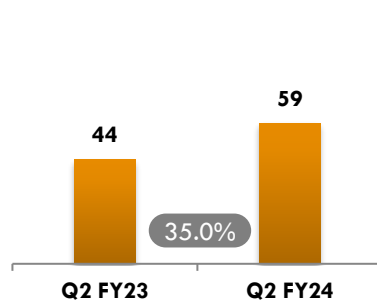
Gross Profit (Rs. crore)



EBITDA (Rs. crore)



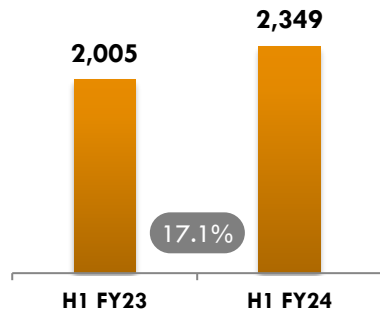
PAT (Rs. crore)



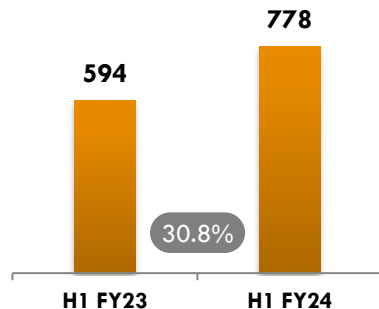
Key ratios (%)	Q2 FY24	Q2 FY23
Gross Margin	33.8%	29.3%
EBITDA Margin (excl. other income)	8.2%	7.4%
Net Margin	5.2%	4.4%
Ad & Promotion Exp./ Revenue	2.2%	2.2%
Employee Cost/ Revenue	9.4%	6.7%
Other Expenditure/ Revenue	16.2%	15.1%
Tax rate	24.0%	26.2%
Diluted EPS (Rs.)	1.34	1.00

Financial Highlights (H1 FY24 vs. H1 FY23)

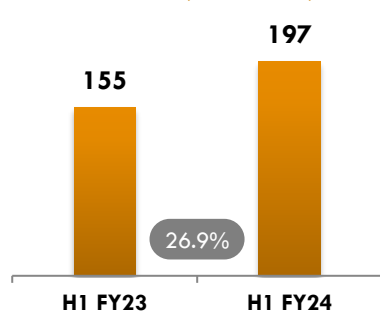
Revenue (Rs. crore)



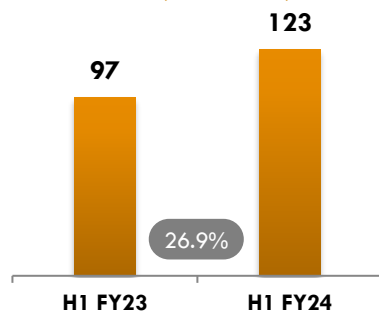
Gross Profit (Rs. crore)



EBITDA (Rs. crore)



PAT (Rs. crore)



Key ratios (%)	H1 FY24	H1 FY23
Gross Margin	33.1%	29.6%
EBITDA Margin (excl other income)	8.4%	7.7%
Net Margin	5.2%	4.8%
Ad & Promotion Exp./ Revenue	2.2%	2.1%
Employee Cost/ Revenue	8.9%	7.2%
Other Expenditure/ Revenue	15.8%	14.7%
Tax rate	24.6%	25.8%
Diluted EPS (Rs.)	2.81	2.22

Financial Highlights – Balance Sheet Perspective



Balance Sheet Snapshot (Rs. Cr)	30 September 2023	30 June 2023	30 September 2022
Net Worth	1,682.55	1,676.78	1,460.42
Gross Debt	293.17	379.17	10.00
Current Investments	35.13	90.24	100.62
Cash & Cash Equivalents (inc. bank balance)	99.08	93.10	69.95
Net Cash Position (Rs. crore)	-158.96	-195.83	160.57
Fixed Assets	1,057.41	1,025.17	514.19

Balance Sheet Snapshot (Rs. Cr)	30 September 2023	30 June 2023	30 September 2022
Debtor (days)*	37	43	35
Inventory (days)*	93	87	107
Creditor (days)*	62	60	51
Working Capital Turnover (days)	68	70	91
RoE* (%)	12.8%	11.9%	16.6%
RoCE* (%)	13.8%	12.6%	20.3%

Note: *Calculations are on a **trailing twelve month basis**

Based on Consolidated Financials

Segment-wise Breakup – Q2 FY24 vs. Q2 FY23



Segment Revenue	Q2 FY24 (Rs. Cr)	Contribution (%)	Q2 FY23 (Rs. Cr)	Contribution (%)	YoY growth (%)
Electronics	255.09	22.5%	227.46	23.1%	12.1%
Electricals	462.28	40.8%	421.77	42.7%	9.6%
Consumer Durables	354.66	31.3%	337.32	34.2%	5.1%
Sunflame	61.72	5.4%			
Grand Total	1,133.75	100.0%	986.55	100.0%	14.9%

Segment Result	Q2 FY24 (Rs. Cr)	Margin (%)	Q2 FY23 (Rs. Cr)	Margin (%)	YoY growth (%)
Electronics	37.80	14.8%	33.29	14.6%	13.5%
Electricals	38.32	8.3%	22.84	5.4%	67.8%
Consumer Durables	-0.92	-0.3%	9.68	2.9%	-109.5%
Sunflame	3.70	6.0%			
Grand Total	78.90	7.0%	65.81	6.7%	19.9%

Electronics – Stabilizers, UPS, Inverters

Electricals – Wires, Pumps, Switchgears, Modular Switches

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

Sunflame – Products sold under trademark Sunflame and Superflame

Based on Consolidated Financials

Segment-wise Breakup – H1 FY24 vs. H1 FY23



Segment Revenue	H1 FY24 (Rs. Cr)	Contribution (%)	H1 FY23 (Rs. Cr)	Contribution (%)	YoY growth (%)
Electronics	618.82	26.4%	530.91	26.5%	16.6%
Electricals	919.00	39.1%	837.72	41.8%	9.7%
Consumer Durables	685.82	29.2%	636.42	31.7%	7.8%
Sunflame	124.87	5.3%			
Grand Total	2,348.51	100.0%	2,005.05	100.0%	17.1%

Segment Result	H1 FY24 (Rs. Cr)	Margin (%)	H1 FY23 (Rs. Cr)	Margin (%)	YoY growth (%)
Electronics	96.26	15.6%	76.16	14.3%	26.4%
Electricals	67.31	7.3%	51.15	6.1%	31.6%
Consumer Durables	-0.04	0.0%	13.50	2.1%	-100.3%
Sunflame	9.54	7.6%			
Grand Total	173.07	7.4%	140.81	7.0%	22.9%

Electronics – Stabilizers, UPS, Inverters

Electricals – Wires, Pumps, Switchgears, Modular Switches

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

Sunflame – Products sold under trademark Sunflame and Superflame

Based on Consolidated Financials

Geographical Breakup of Revenues



Region	Q2 FY24 (Rs. Cr)	Contribution (%)	Q2 FY23 (Rs. Cr)	Contribution (%)	YoY growth (%)
South	602.76	56.2%	564.94	57.3%	6.7%
Non-South	469.27	43.8%	421.61	42.7%	11.3%
Total (excl. Sunflame)	1,072.03	100.0%	986.55	100.0%	8.7%
Sunflame	61.72		-		
Total Revenue	1,133.75		986.55		14.9%





Region	H1 FY24 (Rs. Cr)	Contribution (%)	H1 FY23 (Rs. Cr)	Contribution (%)	YoY growth (%)
South	1,195.41	53.8%	1,105.33	55.1%	8.1%
Non-South	1,028.23	46.2%	899.72	44.9%	14.3%
Total (excl. Sunflame)	2,223.64	100.0%	2,005.05	100.0%	10.9%
Sunflame	124.87		-		
Total Revenue	2,348.51		2,005.05		17.1%



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 ~ 40% 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, Pantnagar & Haridwar (Uttarakhand), Kala Amb (Himachal Pradesh), Hyderabad (Telangana), Faridabad (Haryana) 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 45% of total revenues in FY23. 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 32 branches which cover ~60,000+ channel partners across the country.



For further information, please contact:

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THANK YOU