

# Dixon

An ISO 9001 : 2008, 14001 : 2004 Company

## Dixon Technologies (India) Ltd.

(Formerly Known as Dixon Technologies (India) Pvt. Ltd )

CIN : L32101UP1993PLC066581

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31<sup>st</sup> October, 2018

To Secretary Listing Department BSE Limited Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	To Secretary Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Mumbai - 400 051
Scrip Code - 540699 ISIN: INE935N01012	Scrip Code- DIXON ISIN: INE935N01012

Dear Sir/Madam,

**Sub:** Investor presentation on Financial Results for Q2 Results

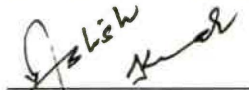
**Ref:** Regulation 30 and 46 of SEBI (LODR) Regulations, 2015

In furtherance to our intimation dated 29<sup>th</sup> October, 2018 with respect to Conference Call with Investors on Q2- FY 2019 Results and in compliance with the provisions of Regulation 30 and Regulation 46 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, please find enclosed herewith Financial Results update 'Investor Presentation Q2-FY 2019'. The same is being uploaded on the Company's website.

We request you to kindly take this on your record.

Thanking You,

For DIXON TECHNOLOGIES (INDIA) LIMITED



Ashish Kumar

(Group Company Secretary & Compliance Officer)



Encl: as above

**Dixon**

R

I

S

E

Research

Innovation

Scale

Excellence

**EARNINGS PRESENTATION**

**Q2 & H1, FY 18-19**

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, competition, inflationary pressures, litigation and labour relations.

Dixon Technologies (India) Limited and its subsidiaries and joint ventures 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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# Key Business Updates - Q2 & H1 FY 18-19

Commenced production of LED TV's for Xiaomi

Added Orient , Ajanta, RR kabel & Polycab in the Lighting segment

Product expansion in Lighting portfolio -Added Batten in ODM

Commencement of SMT Line for Mobile Phone PCB

Added Flipkart in Home Appliances segment

Capacity expansion in CCTV from 1.5 lacs /month to 5.0 Lacs/month & DVR from 30 K/month to 1.5 Lac/month

Dixon was awarded electronic company of the Year by ELCINA-EFY\*

Dixon has migrated to latest version SAP - SAP 4 HANA in Oct,18

\* ELCINA-EFY is one of the prestigious awards which is presented annually for outstanding achievement to Corporates in Electronic hardware manufacturing & Services

## Key Financials - Q2, FY 18-19 vs Q2, FY 17-18

Revenue* Lacs	EBITDA* Lacs	EBITDA Margin(%)	PBT Lacs	PAT Lacs
74,068 -16%	3,480 -6%	4.7% +50bps	2,466 -17%	1,643 -21%
vs 88,110	vs 3,717	vs 4.2%	vs 2,982	vs 2,070

## Key Financials - H1, FY 18-19 vs H1, FY 17-18

Revenue* Lacs	EBITDA* Lacs	EBITDA Margin(%)	PBT Lacs	PAT Lacs
133,483 -15%	6,227 +6%	4.7% +100bps	4,218 -8%	2,919 -7%
vs 1,57,814	vs 5,898	vs 3.7%	vs 4,564	vs 3,154

\*Revenue and EBITDA include other income

# Consolidated Results Summary Q2 & H1, FY 18-19 VS Q2 & H1, FY 17-18

Particulars (INR Lacs)	Q2, FY 18-19	Q2, FY 17-18	% Change	H1, FY 18-19	H1, FY 17-18	% Change
Income*	73,885	87,893	-16%	133,153	157,536	-15%
Expenses	70,588	84,393	-16%	127,256	151,917	-16%
<b>Operating Profit</b>	<b>3,297</b>	<b>3,500</b>	<b>-6%</b>	<b>5,897</b>	<b>5,619</b>	<b>5%</b>
<b>Operating Profit Margin</b>	<b>4.5%</b>	<b>4.0%</b>	<b>0.5%</b>	<b>4.4%</b>	<b>3.6%</b>	<b>0.8%</b>
Other Income	183	217	-16%	330	279	18%
<b>EBITDA</b>	<b>3,480</b>	<b>3,717</b>	<b>-6%</b>	<b>6,227</b>	<b>5,898</b>	<b>6%</b>
<b>EBITDA Margin</b>	<b>4.7%</b>	<b>4.2%</b>	<b>0.5%</b>	<b>4.7%</b>	<b>3.7%</b>	<b>1.0%</b>
Depreciation	500	386	29%	960	671	43%
<b>EBIT</b>	<b>2,980</b>	<b>3,331</b>	<b>-11%</b>	<b>5,267</b>	<b>5,227</b>	<b>1%</b>
Finance Cost	514	349	47%	1,049	662	58%
<b>PBT</b>	<b>2,466</b>	<b>2,982</b>	<b>-17%</b>	<b>4,218</b>	<b>4,564</b>	<b>-8%</b>
<b>PBT Margin</b>	<b>3.3%</b>	<b>3.4%</b>	<b>-0.1%</b>	<b>3.2%</b>	<b>2.9%</b>	<b>0.3%</b>
Tax	823	911	-10%	1,299	1,411	-8%
<b>PAT</b>	<b>1,643</b>	<b>2,070</b>	<b>-21%</b>	<b>2,919</b>	<b>3,154</b>	<b>-7%</b>
<b>PAT Margin</b>	<b>2.2%</b>	<b>2.4%</b>	<b>-0.2%</b>	<b>2.2%</b>	<b>2.0%</b>	<b>0.2%</b>
<b>EPS</b>	<b>14.5</b>	<b>18.8</b>	<b>-23%</b>	<b>25.8</b>	<b>28.6</b>	<b>-10%</b>

\* Adjusting revenue of mobile & Lighting 'CFL' business the revenue de-growth would have been -6% YOY in Q2, FY 18-19 as against -16%

# Segment Wise Performance : Q2, FY 18-19 vs Q2, FY 17-18

Particulars (INR Lacs)	Q2, FY 18-19	Q2, FY 17-18	% change	Q2, FY 18-19	Q2, FY 17-18	% change
<b>Revenues</b>				<b>% of Total Revenue</b>		
Consumer Electronics	35,973	46,618	-23%	49%	53%	-4%
Lighting Products*	19,041	18,813	1%	26%	21%	5%
Home Appliances	10,384	5,814	79%	14%	7%	7%
Mobile Phones	6,367	14,169	-55%	9%	16%	-7%
Reverse Logistics	1,011	2,478	-59%	1%	3%	-2%
Security Systems	1,110	-	-	2%	-	2%
<b>Total</b>	<b>73,885</b>	<b>87,893</b>	<b>-16%</b>	<b>100%</b>	<b>100%</b>	<b>-</b>
<b>Operating Profit</b>				<b>Operating Profit Margin %</b>		
Consumer Electronics	1,287	1,131	14%	3.6%	2.4%	1.2%
Lighting Products	1,106	1,292	-14%	5.8%	6.9%	-1.1%
Home Appliances	846	678	25%	8.1%	11.7%	-3.6%
Mobile Phones	58	243	-76%	0.9%	1.7%	-0.8%
Reverse Logistics	12	155	-93%	1.1%	6.2%	-5.1%
Security Systems	(12)	-	-	-1.1%	-	-
<b>Total</b>	<b>3,297</b>	<b>3,500</b>	<b>-6%</b>	<b>4.5%</b>	<b>4.0%</b>	<b>0.5%</b>

\* Adjusting revenue of Lighting 'CFL' business the revenue growth would have been 15% YOY in Q2, FY 18-19 as against 1%



# Segment Wise Performance : H1, FY 18-19 vs H1, FY 17-18

Particulars (INR Lacs)	H1, FY 18-19	H1, FY 17-18	% change	H1, FY 18-19	H1, FY 17-18	% change
<b>Revenues</b>				<b>% of Total Revenue</b>		
Consumer Electronics	58,248	63,128	-8%	44%	40%	4%
Lighting Products*	38,033	36,178	5%	29%	23%	6%
Home Appliances	18,957	9,751	94%	14%	6%	8%
Mobile Phones	13,688	43,424	-68%	10%	28%	-18%
Reverse Logistics	2,446	3,881	-37%	2%	2%	-
Security Systems	1,782	-	-	1%	-	1%
<b>Total</b>	<b>133,153</b>	<b>156,362</b>	<b>-15%</b>	<b>100%</b>	<b>99%</b>	<b>1%</b>
Add : Excise Duty	-	1,174	-	-	1%	-1%
<b>Total Revenue</b>	<b>133,153</b>	<b>157,536</b>	<b>-15%</b>	<b>100%</b>	<b>100%</b>	<b>-</b>
<b>Operating Profit</b>				<b>Operating Profit Margin %</b>		
Consumer Electronics	1,555	1,592	-2%	2.7%	2.5%	0.2%
Lighting Products	2,551	1,979	29%	6.7%	5.5%	1.2%
Home Appliances	1,763	1,146	54%	9.3%	11.8%	-2.5%
Mobile Phones	139	391	-64%	1.0%	0.9%	0.1%
Reverse Logistics	(53)	510	-110%	-2.2%	13.1%	-15.3%
Security Systems	(58)	-	-	-3.3%	-	-
<b>Total</b>	<b>5,897</b>	<b>5,619</b>	<b>5%</b>	<b>4.4%</b>	<b>3.6%</b>	<b>0.8%</b>

\* Adjusting revenue of Lighting 'CFL' business the revenue growth would have been 19% YOY in Q2, FY 18-19 as against 5%

## Segment Wise Volume : Q2, FY 18-19 vs Q2, FY 17-18

Particulars (Lacs)	Q2, FY 18-19	Q2, FY 17-18	% Change (YOY)
Consumer Electronics*	6.7	6.3	6%
Lighting Products	362.5	313.4	16%
Home Appliances	2.1	1.3	62%
Mobile Phones	3.9	3.2	24%
Reverse Logistics	1.5	3.1	-12%
Security Systems	1.3	-	-
<b>Total</b>	<b>378.0</b>	<b>327.3</b>	<b>16%</b>

## Segment Wise Volume : H1, FY 18-19 vs H1, FY 17-18

Particulars (Lacs)	H1, FY 18-19	H1, FY17-18	% Change (YOY)
Consumer Electronics*	11.5	9.3	23%
Lighting Products	686.1	628.4	9%
Home Appliances	3.9	2.1	86%
Mobile Phones	6.4	6.4	-1%
Reverse Logistics	2.6	6.5	-40%
Security Systems	2.2	-	-
<b>Total</b>	<b>712.7</b>	<b>652.7</b>	<b>10%</b>

\* Consumer Electronics include AC PCB's

# ODM Revenue Share (%) - Q2 & H1, FY 18-19 vs Q2 & H1, FY 17-18

Particulars (%)	Q2, FY 18-19	Q2, FY 17-18	% change	H1, FY 18-19	H1, FY 17-18	% change
Consumer Electronics	10%	5%	5%	10%	7%	3%
Lighting Products	65%	36%	29%	50%	42%	8%
Home Appliances	100%	100%	-	100%	100%	-

## Segment Wise - ROCE (%)

Particulars (INR Lacs)	Capital Employed			ROCE		
	H1, FY 18-19	FY 17-18	% change	H1, FY 18-19	FY 17-18	% change
Consumer Electronics	3,093	701	341%	68%	298%	-230%
Lighting Products	21,648	20,274	7%	20%	20%	-
Home Appliances	16,614	12,142	37%	19%	22%	-3%
Mobile Phones	(382)	139	-375%	na	415%	Na
Reverse Logistics	1,397	2,348	-41%	na	21%	-27%
Security Systems	966	272	255%	na	na	-5%
<b>Total</b>	<b>43,336</b>	<b>35,876</b>	<b>21%</b>			

## Expenditure Analysis : Q2, FY 18-19 vs Q2, FY 17-18

Particulars (As a % of operating revenues)	Q2, FY 18-19	Q2, FY 17-18	% Change
Cost of Material Consumed*	86.9%	89.0%	-2.1%
Employee benefit expenses	2.6%	2.0%	0.6%
Finance Cost	0.7%	0.4%	0.3%
Depreciation and Amortization Expense	0.7%	0.4%	0.3%
Other expenses	6.1%	5.0%	1.1%

## Expenditure Analysis : H1, FY 18-19 vs H1, FY 17-18

Particulars (As a % of operating revenues)	H1, FY 18-19	H1, FY 17-18	% Change
Cost of Material Consumed*	86.3%	89.0%	-2.7%
Employee benefit expenses	2.8%	2.1%	0.7%
Finance Cost	0.8%	0.4%	0.4%
Depreciation and Amortization Expense	0.7%	0.4%	0.3%
Other expenses	6.5%	5.3%	1.2%

\* Cost of Material Consumed includes changes in inventories & Excise Duty

# Consolidated Balance sheet

Particulars (INR Lacs)		30 Sep '18	31 Mar '18
Net Fixed Assets	(A)	23,302	19,498
Non Current Financial Assets	(B)	15	471
Other Non Current Assets	(C)	1,572	1,383
Cash & Cash Equivalents	(D)	5,082	5,524
<b>Current Assets</b>			
Trade Receivables		41,132	29,628
Inventories		34,787	32,234
Other Current Financial Assets		1,903	1,661
Other Current Assets		10,351	8,187
<b>Total Current Assets</b>		<b>88,172</b>	<b>71,710</b>
<b>Less: Current Liabilities &amp; Provisions</b>		<b>72,071</b>	<b>61,857</b>
<b>Net Current Assets</b>	(E)	<b>16,071</b>	<b>9,455</b>
<b>Total Assets (A+B+C+D+E)</b>		<b>46,041</b>	<b>36,730</b>
<b>Total Shareholder funds</b>	(A)	<b>34,140</b>	<b>31,497</b>
Equity share capital		1,133	1,133
Other equity		33,008	30,365
<b>Total Debt</b>	(B)	<b>10,801</b>	<b>4,463</b>
Short Term Borrowings		9,399	3,264
Long Term Borrowings		1,402	1,199
<b>Other Non Current Liabilities</b>	(C)	<b>1,100</b>	<b>770</b>
<b>Total Liabilities (A+B+C)</b>		<b>46,041</b>	<b>36,331</b>

Particulars (INR Lacs)	30 Sep '18	31 Mar '18	Change
Total Gross Debt	10,801	4,463	6,338
Cash & Cash Equivalents*	5,082	5,524	(442)
<b>Net Debt</b>	<b>5,719</b>	<b>(1,061)</b>	<b>6,780</b>
<b>Gross Debt/ Equity</b>	<b>0.32</b>	<b>0.14</b>	<b>-</b>
<b>Net Debt/Equity</b>	<b>0.17</b>	<b>(0.03)</b>	<b>-</b>

\* Includes Rs.23.5 crores of balance IPO Proceeds

# Key Ratios

Particulars	H1, FY 18-19
Receivables days Outstanding (A)	58
Inventory Days Outstanding (B)	49
Payables days outstanding (C)	107
<b>Cash Conversion Cycle / Working Capital Days (A+B-C)</b>	<b>(1)</b>
<b>ROCE (%)*</b>	<b>24.3%</b>
<b>ROE (%) **</b>	<b>18.7%</b>

\***ROCE** = Trailing 12 Months EBIT/ Average Net Capital Employed based on the Capital employed as on 30<sup>th</sup> Sept 17 & 30<sup>th</sup> Sept 18 . Balance IPO proceeds of Rs. 23.5 crores has been excluded for calculation of ROCE

\*\***ROE** = Trailing 12 months PAT / Average Shareholder Funds based on the Shareholder Funds as on 30<sup>th</sup> Sept 17 & 30<sup>th</sup> Sept 18

**THANK YOU**