

May 30, 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
Ref:- Scrip Code: 532953	Ref:- Symbol: VGUARD

Dear Sir / Madam,

Sub: Submission to Exchange 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 Investor Presentation on Audited Financial Results of the Company for the quarter and year ended March 31, 2023.

Kindly take the above information on your records.

This is for your information and 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

Q4 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 Q4 FY23, Mr. Mithun Chittilappilly, Managing Director – V-Guard Industries Limited said, “We reported consolidated Net revenues of Rs. 4,126 crore in FY23, higher by 17.9% on a year-on-year basis. Excluding the revenues from Sunflame, like-for-like revenue growth is 16.3% yoy and this is ahead of the CAGR of 11.9% in revenues over the period FY19-23.

Within our segments, the Electronics and Consumer Durables registered strong topline growth. We are making sustained progress towards achieving scale in key Durable categories.

During the year, the South market grew by 9% y-o-y while the Non-South markets grew by 26.4% YoY. With continued strong growth from Non-South markets, the contribution to revenues exceeds 45% for the quarter as well as for financial year 22-23. We continue to make progress in growing the business in the Non-South markets and the enriched contribution from these markets has strengthened the business with a diversified revenue base.

In the fourth quarter, we have witnessed an improvement in Gross Margin as the benefit of stable commodity prices begins to flow through. A&P spends are higher as they return towards normative levels. One-time costs of about Rs 10 Cr relating to the Sunflame acquisition have been recognized in Q4 results. We expect gross margins to further improve in Q1 FY 24.

It is also pertinent to note that in FY 22 we had prior-year tax credit of Rs 8 Cr as we switched over to the new Income Tax regime. In FY 23, the tax benefit arising from the Simon merger has been shown under Other Comprehensive Income (Rs 20 cr).

The Board of Directors have recommended a final dividend of Rs. 1.3 per share of a face value of Re. 1 each for the financial year 2022-23.

During Q4 FY 23, we completed the acquisition of Sunflame and the merger of Simon. Work relating to business integration is ongoing. These M&As are a good strategic fit to V-Guard with multiple levers for synergy benefits.”

Key Highlights – Q4 FY23



Revenue increased by 7.6% YoY in Q4 FY23

- Q4 FY23 revenue increased by 7.6% YoY to Rs. 1,140.1 crore
- South markets witnessed a YoY decline of 3.3% whereas Non-South markets witnessed YoY growth of 9.7% in Q4 FY23
- Non-South markets contributed to 45.7% of total revenues in Q4 FY23 as compared to 42.6% in Q4 FY22

- FY23 revenue increased by 17.9% YoY to Rs. 4,126.0 crore
- South markets witnessed a YoY growth of 9.0% whereas Non-South markets witnessed YoY growth of 26.4% in FY23
- Non-South markets contributed to 45.3% of total revenues in FY23 as compared to 41.6% in FY22

EBITDA performance and PAT

- Gross margin expanded by 210 bps YoY, at 31.3% in Q4 FY23 with the moderation in input costs and normalising of high-cost inventories in Consumer Durables segment
- Ad/promotional spends, at 1.6% of revenues in Q4 FY23 as compared to 1.2% in Q4 FY22, steadily reverting to pre-COVID levels
- EBITDA at Rs. 98.7 crore in Q4 FY23 declined 11.9% YoY, as compared to Rs. 112.0 crore in Q4 FY22
- EBITDA margins contracted by 190 bps YoY, at 8.7% as compared to 10.6% in Q4 FY22
- Q4 FY23 PAT of Rs. 52.7 crore, decreased 41.1% YoY. The PAT in base period was higher due to tax reversal on account of migration to the new tax regime.

Robust cash flow generation and balance sheet

- CFO generation for FY23 at Rs. 423.8 crore, improved significantly as compared to negative Rs. 37.7 crore for FY22 on account of reduction in inventory to normative levels as guided earlier
- ROE and ROCE at 11.8% and 12.0%, respectively over the last 12 months
- Net debt has increased to Rs. 380.0 crore as on 31st March 2023, as against net cash of Rs. 49.0 crore as on 31st March 2022. This is due to funding requirements for the Sunflame acquisition.

P&L Snapshot (including Sunflame)



P&L Statement Particulars	Q4 FY23 (Rs. Cr)	Q4 FY22 (Rs. Cr)	Change %	Q3 FY23 (Rs. Cr)	FY23 (Rs. Cr)	FY22 (Rs. Cr)	Change %
Net Revenue	1,140.14	1,059.17	7.6%	980.84	4,126.04	3,500.19	17.9%
COGS	783.11	749.94	4.4%	690.70	2,884.39	2,413.89	19.5%
Gross Margin	31.3%	29.2%	2.1%	29.6%	30.1%	31.0%	-0.9%
EBITDA (excluding other income)	98.66	111.99	-11.9%	65.88	319.91	340.23	-6.0%
as a % to Net Revenue (NR)	8.7%	10.6%	-1.9%	6.7%	7.8%	9.7%	-2.0%
Other Income (including finance income)	2.63	2.68	-1.8%	6.03	16.44	10.76	52.7%
EBITDA including other income	101.29	114.67	-11.7%	71.91	336.35	350.99	-4.2%
as a % to NR	8.9%	10.8%	-1.9%	7.3%	8.2%	10.0%	-1.8%
PBT	72.07	99.99	-27.9%	52.84	255.74	293.96	-13.0%
as a % to NR	6.3%	9.4%	-3.1%	5.4%	6.2%	8.4%	-2.2%
PAT	52.73	89.58	-41.1%	39.29	189.05	228.44	-17.2%
as a % to NR	4.6%	8.5%	-3.9%	4.0%	4.6%	6.5%	-1.9%

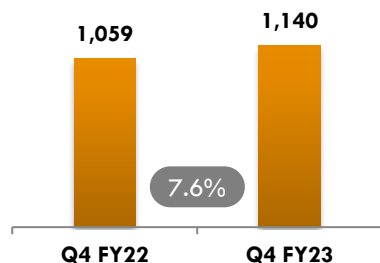
P&L Snapshot (excluding Sunflame)



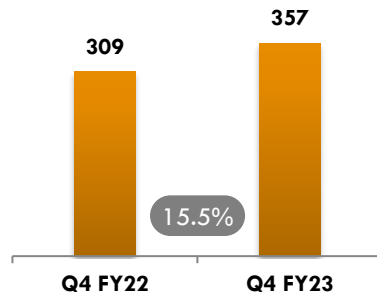
P&L Statement Particulars	Q4 FY23 (Rs. Cr)	Q4 FY22 (Rs. Cr)	Change %	Q3 FY23 (Rs. Cr)	FY23 (Rs. Cr)	FY22 (Rs. Cr)	Change %
Net Revenue	1,083.24	1,059.17	2.3%	980.84	4,069.14	3,500.19	16.3%
COGS	748.04	749.94	-0.3%	690.70	2,849.32	2,413.89	18.0%
Gross Margin	30.9%	29.2%	1.7%	29.6%	30.0%	31.0%	-1.1%
EBITDA (excluding other income)	89.21	111.99	-20.3%	65.88	310.46	340.23	-8.7%
as a % to Net Revenue (NR)	8.2%	10.6%	-2.4%	6.7%	7.6%	9.7%	-2.1%
Other Income (including finance income)	2.17	2.68	-19.0%	6.03	15.98	10.76	48.5%
EBITDA including other income	91.38	114.67	-20.3%	71.91	326.44	350.99	-7.0%
as a % to NR	8.4%	10.8%	-2.4%	7.3%	8.0%	10.0%	-2.0%
PBT	64.06	99.99	-35.9%	52.84	247.73	293.96	-15.7%
as a % to NR	5.9%	9.4%	-3.5%	5.4%	6.1%	8.4%	-2.3%
PAT	46.69	89.58	-47.9%	39.29	183.01	228.44	-19.9%
as a % to NR	4.3%	8.5%	-4.1%	4.0%	4.5%	6.5%	-2.0%

Financial Highlights (Q4 FY23 vs. Q4 FY22)

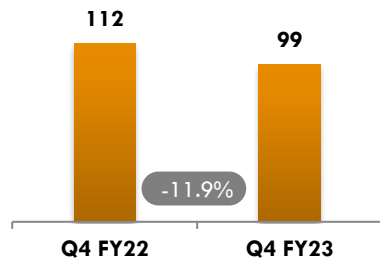
Total Income (Rs. crore)



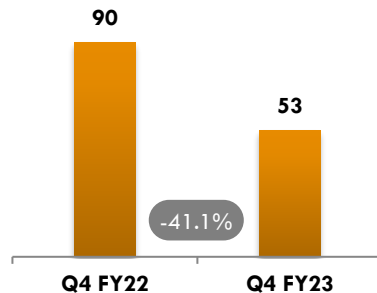
Gross Profit



EBITDA (Rs. crore)



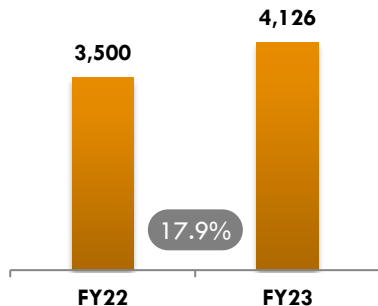
PAT (Rs. crore)



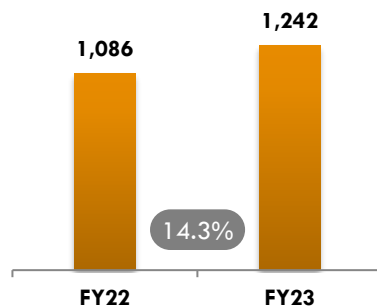
Key ratios (%)	Q4 FY23	Q4 FY22
Gross Margin	31.3%	29.2%
EBITDA Margin (excl. other income)	8.7%	10.6%
Net Margin	4.6%	8.5%
Ad & Promotion Exp./ Total Revenues	1.6%	1.2%
Employee Cost/ Total Operating Income	7.0%	6.2%
Other Expenditure/ Total Operating Income	15.6%	12.5%
Tax rate	26.8%	10.4%
Diluted EPS (Rs.)	1.21	2.07

Financial Highlights (FY23 vs. FY22)

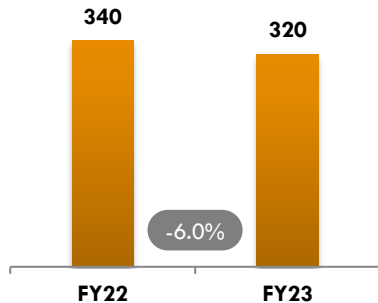
Total Income (Rs. crore)



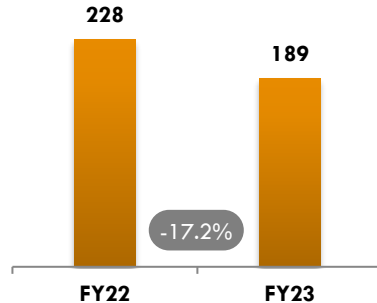
Gross Profit



EBITDA (Rs. crore)



PAT (Rs. crore)



Key ratios (%)	FY23	FY22
Gross Margin	30.1%	31.0%
EBITDA Margin (excl other income)	7.8%	9.7%
Net Margin	4.6%	6.5%
Ad & Promotion Exp./ Total Revenues	2.1%	1.6%
Employee Cost/ Total Operating Income	7.3%	7.7%
Other Expenditure/ Total Operating Income	15.0%	13.6%
Tax rate	26.1%	22.3%
Diluted EPS (Rs.)	4.35	5.25

Financial Highlights – Balance Sheet Perspective



Balance Sheet Snapshot (Rs. Cr)	31 March 2023	31 December 2022	31 March 2022
Net Worth	1,607.6	1,503.3	1,407.0
Gross Debt	419.6	116.7	11.8
Current Investments	0.1	325.5	-
Cash & Cash Equivalents (inc. bank balance)	39.5	130.8	60.8
Net Cash Position (Rs. crore)	-380.0	339.6	49.0
Fixed Assets	912.4	416.2	398.3

Balance Sheet Snapshot (Rs. Cr)	31 March 2023	31 December 2022	31 March 2022
Debtor (days)*	50	34	50
Inventory (days)*	97	92	130
Creditor (days)*	62	56	69
Working Capital Turnover (days)	85	70	111
RoE* (%)	11.8%	15.0%	16.2%
RoCE* (%)	12.0%	17.0%	20.5%

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

Based on Consolidated Financials

Segment-wise Breakup – Q4 FY23 vs. Q4 FY22



Segment Revenue	Q4 FY23 (Rs. Cr)	Contribution (%)	Q4 FY22 (Rs. Cr)	Contribution (%)	YoY growth (%)
Electronics	271.7	23.8%	247.4	23.4%	9.9%
Electricals	525.3	46.1%	515.7	48.7%	1.9%
Consumer Durables	286.2	25.1%	296.1	28.0%	-3.4%
Sunflame	56.9	5.0%	-	-	-
Grand Total	1,140.1	100.0%	1,059.2	100.0%	7.6%

Segment Result	Q4 FY23 (Rs. Cr)	Margin (%)	Q4 FY22 (Rs. Cr)	Margin (%)	YoY growth (%)
Electronics	32.5	12.0%	43.1	17.4%	-24.5%
Electricals	47.8	9.1%	55.5	10.8%	-14.0%
Consumer Durables	-1.1	-0.4%	5.0	1.7%	-122.7%
Sunflame	8.0	14.1%	-	-	-
Grand Total	87.1	7.6%	103.6	9.8%	-15.8%

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 – FY23 vs. FY22



Segment Revenue	FY23 (Rs. Cr)	Contribution (%)	FY22 (Rs. Cr)	Contribution (%)	YoY growth (%)
Electronics	994.0	24.1%	815.6	23.3%	21.9%
Electricals	1,798.8	43.6%	1,620.6	46.3%	11.0%
Consumer Durables	1,276.3	30.9%	1,064.0	30.4%	20.0%
Sunflame	56.9	1.4%	-	-	-
Grand Total	4,126.0	100.0%	3,500.2	100.0%	17.9%

Segment Result	FY23 (Rs. Cr)	Margin (%)	FY22 (Rs. Cr)	Margin (%)	YoY growth (%)
Electronics	130.9	13.2%	136.8	16.8%	-4.3%
Electricals	138.6	7.7%	158.6	9.8%	-12.6%
Consumer Durables	7.9	0.6%	17.1	1.6%	-53.8%
Sunflame	8.0	14.1%	-	-	-
Grand Total	285.3	6.9%	312.4	8.9%	-8.7%

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

Geographical Breakup of Revenues



Region	Q4 FY23 (Rs. Cr)	Contribution (%)	Q4 FY22 (Rs. Cr)	Contribution (%)	YoY growth (%)
South	588.3	54.3%	608.1	57.4%	-3.3%
Non-South	495.0	45.7%	451.1	42.6%	9.7%
Total (excl. Sunflame)	1,083.2	100%	1,059.2	100%	2.3%
Sunflame	56.9		-		-
Total Revenue	1,140.1		1,059.2		7.6%





Region	FY23 (Rs. Cr)	Contribution (%)	FY22 (Rs. Cr)	Contribution (%)	YoY growth (%)
South	2,227.5	54.7%	2,042.9	58.4%	9.0%
Non-South	1,841.7	45.3%	1,457.3	41.6%	26.4%
Total (excl. Sunflame)	4,069.1	100%	3,500.2	100%	16.3%
Sunflame	56.9		-		-
Total Revenue	4,126.0		3,500.2		17.9%



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 & 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 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 31 branches which cover ~40,000+ retailers across the country.



For further information, please contact:

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THANK YOU