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PG ELECTROPLAST LIMITED

CIN-L32109DL2003PLC119416

Corporate Office :

P-4/2, 4/3, 4/4, 4/5, 4/6, Site-B, UPSIDC Industrial Area, Surajpur
Greater Noida-201306, Distt. Gautam Budh Nagar (U.P.) India
Phones # 91-120-2569323, Fax # 91-120-2569131
E-mail # info@pgel.in Website # www.pgel.in

November 14, 2022

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

Scrip Code: 533581

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

Scrip Symbol: PGEL

Sub: Investor Presentation

Dear Sir/Madam,

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

This is for your information and record please.

Thanking you,

For **PG Electroplast Limited**

Sanchay Dubey

Digitally signed by Sanchay Dubey
Date: 2022.11.14 17:17:01 +05'30'

(Sanchay Dubey)
Company Secretary

■ *Registered Office*
DTJ-209, Second Floor
DLF Tower-B, Jasola
New Delhi-110025
Tele-Fax # 011-41421439

PG Electroplast

Company Update

2Q FY2023, Nov. 2022

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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 from 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.

Agenda

- 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

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1977
PG Group starts as a small electronic components manufacturing unit in Delhi.

1995
A TV manufacturing plant was set up in Noida

1997
Started manufacturing Color TVs & Audio Products.

1999
A PCB Assembly Line was set up at Noida.

2003
Started Plastic Injection Molding Plant.

2008
Got first tender from Tamil Nadu Govt. for supplying CTV. Supplied 2.5 million CTV in next 3 years.

2009
Started Manufacturing of CFL Lights.

2010
Diversified into Automotive industry and started working with Leading Indian and Global Automotive OEMs

PGEL rated the biggest manufacturer in India for Consumer Electronics

2011
Expanded foot print by setting up state of art plastic injection molding plant near Pune

2012
Expanded plastic injection molding business by adding new factory at Greater Noida

2014
Diversified in to small domestic appliances industry by setting up state of the art motor plant and started manufacturing Juicers, Mixer Grinders for leading Indian brands

2015
Assembly Plant for Set-Top-Box gets started

2016
New Tooling Division setup to cater to burgeoning demand of our existing customers

2017
Adopted "Process Excellence" approach to focus on process improvement, ongoing business process management and continuous improvement in overall operations

2018
Installed PU Paint Shop facility

Set up of Thermoset – Urea-Formaldehyde (UF) Toilets Seats manufacturing facility

2019
Crossed Rs 500 crore mark in revenues

Succesfully launched 2nd Model of Semi-Automatic Washing Machine

A Product Showroom at Corporate Office was set up

2020
Achieved highest ever revenue – Crossed Rs 6 billion (Rs 600 Crores) mark

Commissioned assembly of AC IDU (Indoor Unit) along with heat exchanger coil

2021
AC Outdoor Unit Assembly capabilities developed.

Developed and launched ODM platform for Fully Automatic Washing Machines.

Developed and launched ODM platform for Air Coolers.

2022
Achieved highest ever revenues – Crossed Rs 10 billion (Rs 1000 crores) mark

Developed and Launched 2 new platforms of SAWM and FATL washing machines.

Developed and launched 4 platforms ODM platform for Air Conditioners

Got approved under the PLI Scheme for Air Conditioners Components

Industries Served

Air Conditioners

Washing Machines

LED Televisions

Air Coolers

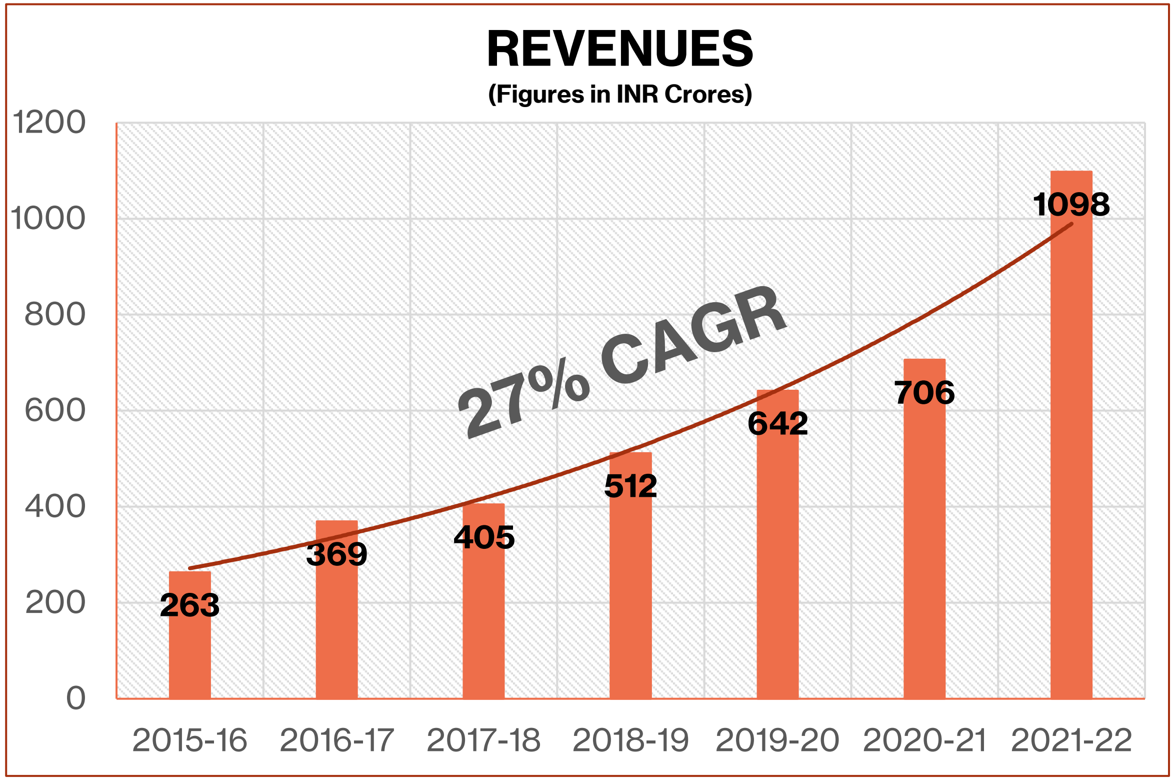
Automotive Components

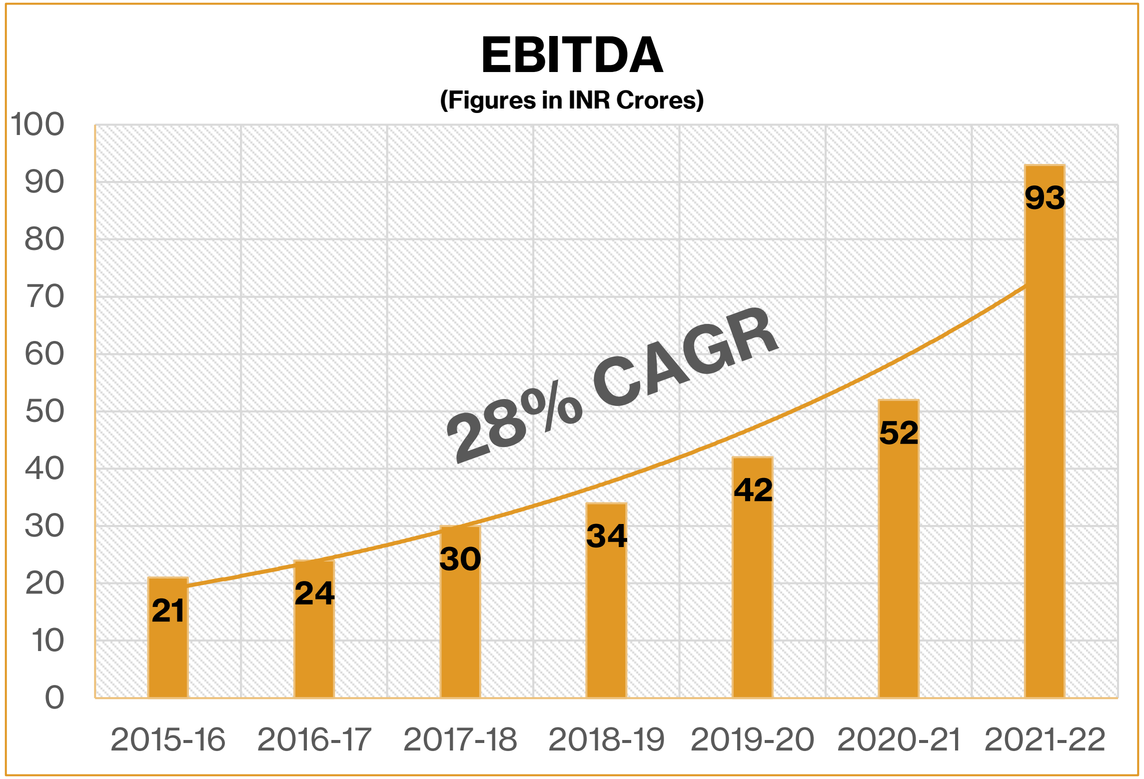
Bathroom Fittings

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.





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Key Clients

acer
AMSTRAD INSPIRED BY PASSION
BLUE STAR
BPL
Carrier
Midea
croma
Crompton
DAIKIN
Flipkart
Godrej
GROHE
Haier
HAVELLS
Honeywell
HYUNDAI
INTEX
JABIL
Jaquar
Kelvinator
KODAK
KOHLER
LAVA
LG
LLOYD
LUMAX
motherson
ONIDA
orient electric
Panasonic
Reliance digital
Salcomp
SANSUI
SPARK MINDA
SMR
TCL
THOMSON
T SERIES
USHA
VOLTAS
White-Westinghouse
Whirlpool CORPORATION

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1HFY2023 Consolidated Profit & Loss Highlights

- **1HFY2023 Sales stand at Rs 863 crores with a 157% YoY growth. EBITDA growth stands at 183% YoY. Product Business crossed 450 crores and constituted 53% of the sales for the quarter.**
- **Ex of forex loss & Non-cash ESOP charges, Operating margins are flat YoY, However, sequentially due to negative operating leverage margins have moderated slightly.**
- **The Orderbook** for product business is **strong for FY23** and **company remains confident** on the outlook.

(Figures in ₹ million)	FY2022 Q2	FY2023 Q2	Growth (%) YoY	FY2022 H1	FY2023 H1	Growth (%) YoY	FY2022 12M
Revenue	1984	**3278**	65.2%	3359	**8630**	156.9%	10977
EBITDA	133	**277**	108.1%	231	**654**	182.6%	927
Net Profit	36.5	**71.7**	96.6%	42.4	**236**	455.4%	374
Diluted EPS (in Rs.)	1.74	**3.35**	92.1%	2.05	**11.0**	439.1%	17.6

1HFY2023 Balance sheet - Consolidated

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(Figures in ₹ million)

A. EQUITY AND LIABILITIES	As on 30.09.2022	As on 31.03.2022
(a) Share capital	213.8	212.2
(b) Reserves and surplus	3167.8	2910.7
Sub-Total - Shareholders' Funds	**3381.6**	**3123.0**
(a) Long-term borrowings	2063.6	1717.8
(b) Long-term provisions	562.5	362.2
Sub-Total - Non-Current Liabilities	**2626.1**	**2080.0**
(a) Short-term borrowings	2067.7	2120.7
(b) Trade payables	2172.2	2692.1
(c)Other current liabilities	372.4	445.3
(d) Short-term provisions	199.4	224.2
Sub-Total - Current Liabilities	**4811.5**	**5482.3**
TOTAL - EQUITY AND LIABILITIES	**10819.2**	**10685.3**

B. ASSETS	As on 30.09.2022	As on 31.03.2022
(a) Fixed assets	4605.0	4409.6
(b) Capital Work in Progress	176.7	48.9
(c) Other Financial Assets	111.5	90.6
(d) Other non-current assets	311.0	55.4
Sub-Total - Non-Current Assets	**5204.3**	**4604.5**
(a) Inventories	2909.8	2860.3
(b) Trade receivables	1668.8	2133.3
(c) Cash and cash equivalents	231.4	391.8
(d) Short-term loans and advances	2.9	27.5
(e) Other current assets	801.9	667.8
Sub-Total - Current Assets	**5614.9**	**6080.7**
TOTAL-ASSETS	**10819.2**	**10685.3**

- The **working capital has sequentially expanded** due to increase in raw material Inventory for AC business scaleup in 2HFY2023
- 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 Q2	FY2023 Q1	FY2023 Q2	FY2022 12M
Operating profit Margin (%)	6.48%	6.51%	5.84%	6.79%
Net Profit Margin (%)	1.84%	3.06%	2.19%	3.41%
DSO (Days)	47.8	52.8	37.5	70.9
Inventory (Days)	58.7	70.2	79.7	118.1
ROCE (%)***	13.8%	20.1%	20.0%	16.3%

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*** **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 77.1%**, while **AC business crossed Rs 300 crores during 1H2023.** 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.
- **For FY2023**, **Capex plan remains on track** and **product business** capacities are on track to **double by end of year.**

	Q2FY22	Q1FY23	Q2FY23	FY2022
Plastic Moulding	57%	36%	**42%**	50%
Electronics	3%	4%	**15%**	6%
- LED TV	0%	3%	**10%**	5%
Mould Manufacturing	1%	0%	**0%**	0%
Product sale	40%	59%	**43%**	44%
Total	**100%**	**100%**	**100%**	**100%**

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Major Highlights of 1HFY23

- **1HFY2023 saw another milestone** as **Consolidated Sales crossed Rs 850 crores** for the company.
- The **Product business contributed 52.9% of the total revenues** in 1HFY23. **Room AC business crossed Rs 300 crores during the period** while the **Washing Machines business for the first half had a growth of 122.8% YoY** and **company sold over 2.5 Lakh washing machines** during the period.
- **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, accounting policy change** of **recognizing the forex loss as a part of operational expense** rather than taking it into exceptional loss, and **non-cash ESOP charge** .
- On Balance sheet side, **net debt has increased by almost Rs 45 crores in 1HFY23** due to Capex and **Inventories** for upcoming AC season.
- **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**.
- 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

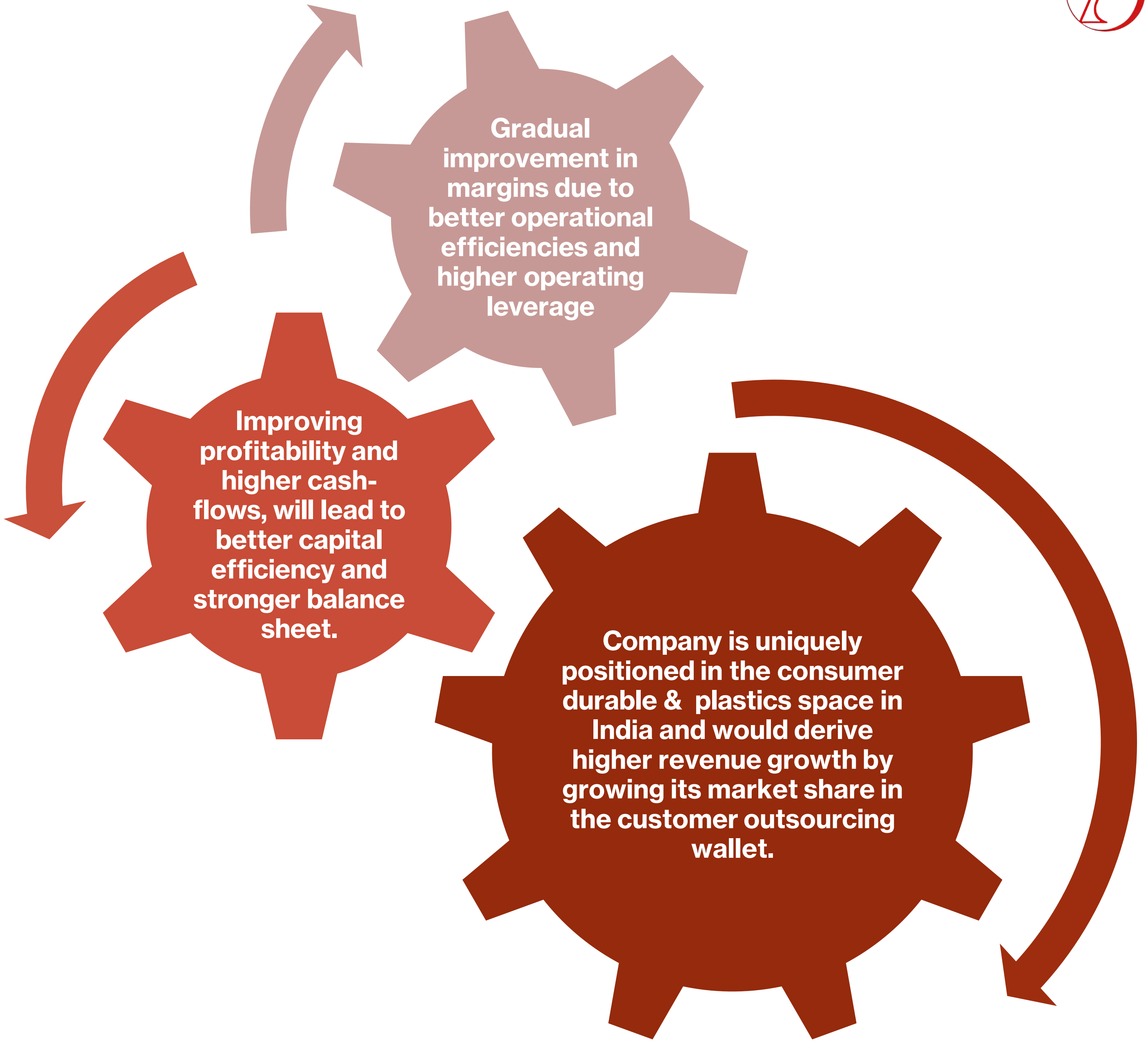
The Management is enthused about the overall opportunity size and anticipates high growth rates in the industry segments where, company has presence.

Future Growth Strategy

Company foresees large opportunities in plastic moulding in consumer durables in appliances like:	• Washing Machines • Room Air conditioner • Refrigerators • Ceiling Fans • Sanitaryware products
Opportunities in the ODM space for products like:	• Air coolers • Washing machines • Room Air Conditioners
Improving operational efficiencies leading to:	• Better profitability & higher cash flows • Reinvesting to improve strategic capabilities to reap future benefits

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!