

February 2, 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 and nine months ended December 31, 2021.

Kindly take the above information on your records.

Thanking You,

For V-Guard Industries Limited



Jayasree K
Company Secretary

Encl: as stated



V-Guard Industries

Q3 FY22 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 Q3 FY22, Mr. Mithun Chittilappilly, Managing Director – V-Guard Industries Limited said, “During the third quarter, we have delivered 16% year-on-year revenue growth. While the quarter started on a strong note with positive demand momentum in the festive season, emergence of the third wave caused growth to be muted subsequently. The impact was felt across our key markets and more so in the Eastern region where we have strong presence. Revenue growth was strong across electricals and consumer durable segments, while electronics showed a marginal decline during Q3.

The third quarter also saw the continuing impact of commodity price inflation on margins. While we have taken several pricing actions to offset this to a large extent, some more price increases are required in the coming months to restore margins to normative levels.

Operating costs have been higher on a year-on-year basis. This includes an increase in advertising and promotion (A&P) expenses which were at 1.8% of revenues in Q3 compared to 0.9% of revenues in the year ago period. Factory-related costs have risen with the starting of manufacturing facilities in Roorkee and Sikkim. Other cost elements such as travel and freight are also higher as branch operations return to regular mode and due to significantly higher diesel prices.

During the quarter, we have made further investment to the extent of Rs. 19.13 crore in V-Guard Consumer Products (VCPL), our wholly owned subsidiary taking the total investment to Rs 44.63 crore. The first manufacturing project undertaken by VCPL is currently under implementation and some other projects are in the pipeline. These projects will reduce reliance on imports / OEMs and deliver efficiencies over time.

We have operated with increased working capital this year, maintaining higher inventory levels to offset any supply side disruptions. Lower than expected demand towards the end of the quarter also resulted in rising inventory days. We will revert to normal inventory levels in the next few months, resulting in stronger cash flows from the business.

Going forward, with the government’s continued focus on investing in progressive initiatives, we see the country progressing consistently leading to secular demand growth in our product categories, especially for quality, innovation and service driven products. V-Guard is well-positioned to benefit from these trends.”

Key Highlights – Q3 FY22



Revenue increased by 16.1% YoY in Q3 FY22

- Q3 FY22 revenue increased by 16.1% YoY to Rs. 960.7 crore despite the impact of the third wave in the post-festive season period
- South and Non-South markets witnessed YoY growth of 15.0% and 17.7%, respectively
- Non-South markets contributed to 41.8% of total revenue in Q3 FY22, up from 41.2% in Q3 FY21

Decrease in EBITDA and PAT

- Gross margins contracted by 201 bps YoY, at 30.6% in Q3 FY22 as high commodity costs continue to impact margins
- Ad/promotional spends (exclusive of schemes) increased, at 1.8% of revenues in Q3 FY22 as compared to 0.9% in Q3 FY21
- Q3 FY22 PAT of Rs. 52.5 crore, decreased 31.8% YoY; PAT margin at 5.5% as against 9.3% in Q3 FY21
- EBITDA decreased to Rs. 84.4 crore in Q3 FY22 from Rs. 113.6 crore, by 25.7%
- EBITDA margins at 8.8% as compared to 13.7% in Q3 FY21

Cash flow generation and balance sheet

- CFO generation in 9M FY22 was negative at Rs. 86.6 crore as higher inventory was maintained to overcome possible supply disruptions
- ROE and ROCE at 15.7% and 21.7% respectively for the trailing 12 months ended 31st December 2021
- Net cash of Rs. 25.8 crore on balance sheet as on 31st December 2021, as against Rs. 482.3 crore as on 31st December 2020

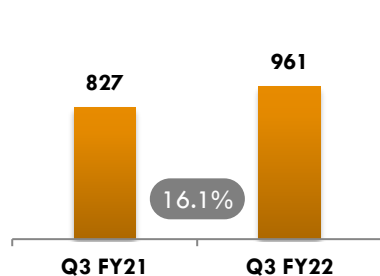
P&L Snapshot



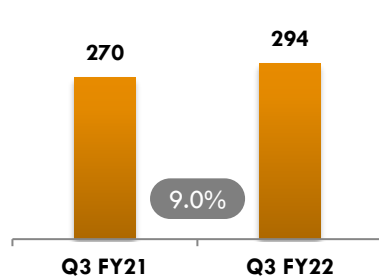
P&L Statement Particulars	Q3 FY22 (Rs. Cr)	Q3 FY21 (Rs. Cr)	Change %	Q2 FY22 (Rs. Cr)	9M FY22 (Rs. Cr)	9M FY21 (Rs. Cr)	Change %
Net Revenue	960.70	827.41	16.1%	902.96	2,424.39	1,849.91	31.1%
COGS	666.37	557.28	19.6%	623.65	1,665.59	1,266.49	31.5%
Gross Margin	30.6%	32.6%	-2.0%	30.9%	31.3%	31.5%	-0.2%
EBITDA (excluding other income)	84.40	113.57	-25.7%	93.55	221.32	196.56	12.6%
as a % to Net Revenue (NR)	8.8%	13.7%	-4.9%	10.4%	9.1%	10.6%	-1.5%
Other Income (including finance income)	2.93	5.42	-45.9%	2.73	9.63	16.74	-42.5%
EBITDA including other income	87.33	118.99	-26.6%	96.28	230.95	213.30	8.3%
as a % to NR	9.1%	14.4%	-5.3%	10.7%	9.5%	11.5%	-2.0%
PBT	72.46	108.44	-33.2%	82.44	189.81	184.38	2.9%
as a % to NR	7.5%	13.1%	-5.6%	9.1%	7.8%	10.0%	-2.1%
PAT	52.50	77.02	-31.8%	59.06	136.19	130.65	4.2%
as a % to NR	5.5%	9.3%	-3.8%	6.5%	5.6%	7.1%	-1.4%

Financial Highlights (Q3 FY22 vs Q3 FY21)

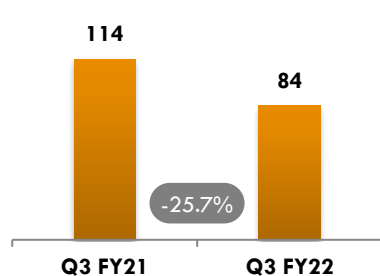
Total Income (Rs. crore)



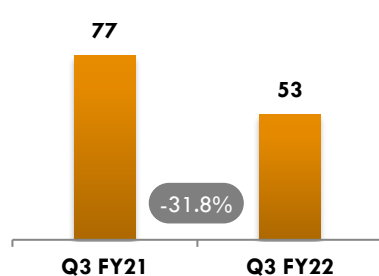
Gross Profit



EBITDA (Rs. crore)



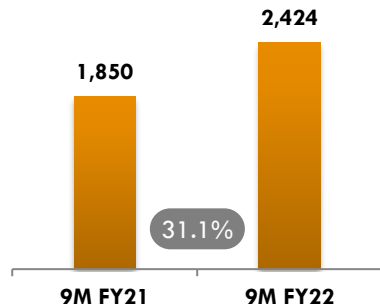
PAT (Rs. crore)



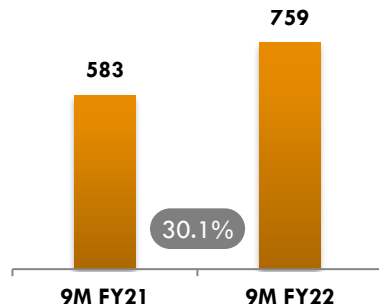
Key ratios (%)	Q3 FY22	Q3 FY21
Gross Margin	30.6%	32.6%
EBITDA Margin (excl. other income)	8.8%	13.7%
Net Margin	5.5%	9.3%
Ad & Promotion Exp. (excl. schemes)/ Total Revenues	1.8%	0.9%
Employee Cost/ Total Operating Income	7.8%	7.6%
Other Expenditure/ Total Operating Income	14.0%	11.3%
Tax rate	27.5%	29.0%
Diluted EPS (Rs.)	1.21	1.78

Financial Highlights (9M FY22 vs. 9M FY21)

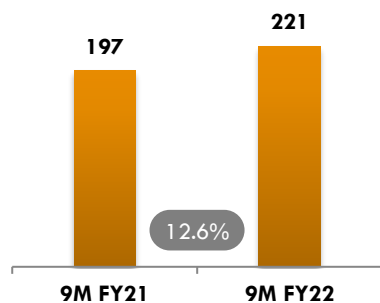
Total Income (Rs. crore)



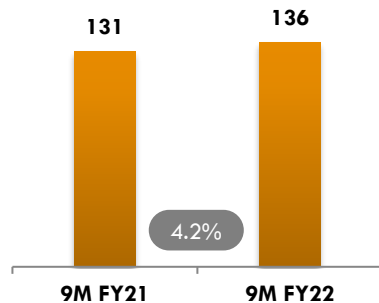
Gross Profit



EBITDA (Rs. crore)



PAT (Rs. crore)



Key ratios (%)	9M FY22	9M FY21
Gross Margin	31.3%	31.5%
EBITDA Margin (excl other income)	9.1%	10.6%
Net Margin	5.6%	7.1%
Ad & Promotion Exp. (excl. schemes)/ Total Revenues	1.9%	0.8%
Employee Cost/ Total Operating Income	8.4%	9.1%
Other Expenditure/ Total Operating Income	13.8%	11.9%
Tax rate	28.2%	29.1%
Diluted EPS (Rs.)	3.14	3.02

Financial Highlights – Balance Sheet Perspective



Balance Sheet Snapshot (Rs. Cr)	31 December 2021	30 September 2021	31 December 2020
Net Worth	1,305.7	1,249.0	1,133.0
Gross Debt	10.0	10.0	10.0
Current Investments	0.0	5.02	0.0
Cash & Cash Equivalents (inc. bank balance)	35.8	189.9	492.3
Net Cash Position (Rs. crore)	25.8	184.9	482.3
Fixed Assets	402.3	391.3	337.5

Balance Sheet Snapshot (Rs. Cr)	31 December 2021	30 September 2021	31 December 2020
Debtor (days)*	41	41	42
Inventory (days)*	142	125	101
Creditor (days)*	81	81	94
Working Capital Turnover (days)	102	84	48
RoE* (%)	15.7%	18.3%	14.4%
RoCE* (%)	21.7%	25.3%	18.4%

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

Segment-wise Breakup – Q3 FY22 vs. Q3 FY21



Segment Revenue	Q3 FY22 (Rs. Cr)	Contribution (%)	Q3 FY21 (Rs. Cr)	Contribution (%)	YoY growth (%)
Electronics	199.9	20.8%	207.4	25.1%	-3.7%
Electricals	422.5	44.0%	355.9	43.0%	18.7%
Consumer Durables	338.4	35.2%	264.1	31.9%	28.1%
Grand Total	960.7	100.0%	827.4	100.0%	16.1%

Segment Result	Q3 FY22 (Rs. Cr)	Margin (%)	Q3 FY21 (Rs. Cr)	Margin (%)	YoY growth (%)
Electronics	34.1	17.1%	51.2	24.7%	-33.4%
Electricals	33.4	7.9%	31.3	8.8%	6.8%
Consumer Durables	9.6	2.8%	26.4	10.0%	-63.8%
Grand Total	77.1	8.0%	108.9	13.2%	-29.2%

Electronics – Stabilizers, UPS, Inverters

Electricals – Wires, Pumps, Switchgears, Modular Switches

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

Segment-wise Breakup – 9M FY22 vs 9M FY21



Segment Revenue	9M FY22 (Rs. Cr)	Contribution (%)	9M FY21 (Rs. Cr)	Contribution (%)	YoY growth (%)
Electronics	568.0	23.4%	516.1	27.9%	10.1%
Electricals	1,088.9	44.9%	820.8	44.4%	32.7%
Consumer Durables	767.5	31.7%	513.0	27.7%	49.6%
Grand Total	2,424.4	100.0%	1,849.9	100.0%	31.1%

Segment Result	9M FY22 (Rs. Cr)	Margin (%)	9M FY21 (Rs. Cr)	Margin (%)	YoY growth (%)
Electronics	94.8	16.7%	91.1	17.6%	4.1%
Electricals	97.6	9.0%	63.5	7.7%	53.7%
Consumer Durables	12.1	1.6%	31.4	6.1%	-61.3%
Grand Total	204.6	8.4%	185.9	10.0%	10.0%

Electronics – Stabilizers, UPS, Inverters

Electricals – Wires, Pumps, Switchgears, Modular Switches

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

Geographical Breakup of Revenues



Region	Q3 FY22 (Rs. Cr)	Contribution (%)	Q3 FY21 (Rs. Cr)	Contribution (%)	YoY growth (%)
South	559.3	58.2%	486.3	58.8%	15.0%
Non-South	401.4	41.8%	341.1	41.2%	17.7%
Total Revenue	960.7	100%	827.4	100%	16.1%





Region	9M FY22 (Rs. Cr)	Contribution (%)	9M FY21 (Rs. Cr)	Contribution (%)	YoY growth (%)
South	1,425.0	58.8%	1,100.4	59.5%	29.5%
Non-South	999.3	41.2%	749.5	40.5%	33.3%
Total Revenue	2,424.4	100.0%	1,849.9	100.0%	31.1%



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.



For further information, please contact:

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THANK YOU