

February 8, 2022

To,

**BSE Limited**

: Scrip Code- 500031

Department of Corporate Services  
Phiroze Jeejeebhoy Towers  
Dalal Street Mumbai 400 001

**National Stock Exchange of India Limited**

: BAJAJELEC - Series: EQ

Listing Department  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai 400 051

Dear Sir/Madam,

**Sub.: Presentation on the Financial Results of Bajaj Electricals Limited (“the Company”) for the third quarter and nine months period ended December 31, 2021**

The presentation on the Financial Results of the Company for the third quarter and nine months period ended December 31, 2021, is enclosed.

We request you to take it on records.

Thanking you,

Yours Faithfully,  
For Bajaj Electricals Limited

Ajay Nagle  
Head of Department- Legal (and Company Secretary)

Encl.: As above.



**BAJAJ**  
Bajaj Electricals Ltd.  
*Inspiring Trust*

---

## Investor Presentation : Q3 FY'22

---

08<sup>th</sup> February 2022





## Disclaimer



The material that follows is a Presentation of general background information about the activities of Bajaj Electricals Limited (“**Company**”) or its subsidiary or joint venture or associate (together with the Company, the “**Group**”) as at the date of the Presentation or as otherwise indicated. It is information given in summary form and does not purport to be complete and it cannot be guaranteed that such information is true and accurate. This Presentation has been prepared by and is the sole responsibility of the Company. By accessing this Presentation, you are agreeing to be bound by the trading restrictions. It is for general information purposes only and should not be considered as a recommendation that any investor should subscribe to or purchase the Company’s equity shares or other securities.

This Presentation includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “anticipates”, “believes”, “estimates”, “expects”, “intends”, “may”, “plans”, “projects”, “seeks”, “should”, “will”, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, aims, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Presentation and include statements regarding the Company’s intentions, beliefs or current expectations concerning, amongst other things, its results or operations, financial condition, liquidity, prospects, growth, strategies and the industry in which the Company operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The factors which may affect the results contemplated by the forward looking statements could include, among others, future changes or developments in (i) the Group’s business, (ii) the Group’s regulatory and competitive environment, and (iii) political, economic, legal and social conditions in India or the jurisdictions in which our Group operates.

Forward-looking statements are not guarantees of future performance including those relating to general business plans and strategy of the Company, its future outlook and growth prospects, and future developments in its businesses and its competitive and regulatory environment. No representation, warranty or undertaking, express or implied, is made or assurance given that such statements, views, projections or forecasts, if any, are correct or that the objectives of the Company will be achieved. There are some important factors that could cause material differences to Company’s actual results. These include (i) our ability to successfully implement our strategy (ii) our growth and expansion plans (iii) changes in regulatory norms applicable to the Company (iv) technological changes (v) investment income (vi) cash flow projections etc. The Company, as such, makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability with respect to, the fairness, accuracy, completeness or correctness of any information or opinions contained herein. The information contained in this Presentation, unless otherwise specified is only current as of the date of this Presentation. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent development, information or events, or otherwise. Unless otherwise stated in this Presentation, the information contained herein is based on management information and estimates. This document is just a Presentation and is not intended to be and does not constitute a “prospectus” or “offer document” or a “private placement offer letter” or an “offering memorandum” or an “offer” or a solicitation of any offer to purchase or sell any securities.



## Table of Contents



1. Covid-19 Update
2. Performance Overview
3. Financial Overview
4. Business Highlights
5. Update : Corporate Restructuring



## Covid-19 Update



1. c.92% of on-roll employees are fully vaccinated
2. All offices have resumed & are operational
3. Head office working at c.50%, following Covid protocols
4. Adopting a hybrid model
5. Sales, Operations, Manufacturing and Logistics operations continue to function smoothly

# Performance Overview



## CP Performance (moderate 6% YoY de-growth on higher base ; 12% 2-Year CAGR)

- Surpassed INR 1,000 crores mark (2<sup>nd</sup> highest historical high)
- Operating Margin at 9.0% (dilution of 330 bps mainly on a/c of rise in input costs & -ve operating leverage)
- 2-year Operating Profit (EBIT) CAGR in excess of 20%



## Channel Highlights

- Balanced Portfolio b/w Trade and Alternate (68 : 32)\*
- Robust growth in emerging “Institution Channel” (60% YoY), albeit on small base
- Widening exports reach: Foray into new territories of Iraq, Maldives & Burkina Faso



## Cash Conversion & Balance Sheet (BS) Strength

- Positive Cash Flow from Operations (CFO) of INR 139 Crores, 11<sup>th</sup> consecutive quarter of positive CFO
- Healthy BS with Net Debt: Equity ratio < 0.1 and Net Debt lowered by INR 81 crores QoQ



## EPC : Calibrated Approach

- Overall revenue de-growth mainly due to selective new orders in-take
- Consolidation of leadership in Illumination (flattish on YoY basis vs double-digit Industry de-growth)
- Carry Forward Order Book of INR 607 crores (Illumination – 178 , PT - 376 , PD - 53 crores)

\*Based on Gross sales | | PT – Power Transmission, PD – Power Distribution

# Financial Overview

- Profit & Loss Statement
- Segment Details
- Operational Highlights
- Cash Flow Summary
- Debt Position

(All fig. in INR Crores)

## Profit & Loss (P&L) Statement



Particulars	Q3 FY'22	Q3 FY'21	YoY Gr (%)	Q2 FY'22
Net Sales	1,320	1,500	(12.0) %	1,302
Less : COGS	951	1,052	(9.6) %	918
<b>Gross Margin</b>	<b>369</b>	<b>448</b>	<b>(17.7) %</b>	<b>384</b>
Staff Cost	99	95	4.1 %	104
Other Expenses	178	206	(13.6) %	186
Less : Dep. & Amortisation	17	20	(12.0) %	17
Add : Other Income	18	22	(21.4) %	21
<b>EBIT</b>	<b>92</b>	<b>150</b>	<b>(38.5) %</b>	<b>99</b>
<b>As % of Net Sales</b>	<b>7.0%</b>	<b>10.0%</b>		<b>7.6%</b>
Less : Finance Cost	16	16	(0.1) %	19
<b>PBT</b>	<b>76</b>	<b>134</b>	<b>(43.2) %</b>	<b>79</b>
Less : Exceptional Items	10	-		
Less : Taxes	18	36	(49.0) %	17
<b>PAT</b>	<b>48</b>	<b>98</b>	<b>(50.9) %</b>	<b>63</b>
<b>As % of Net Sales</b>	<b>3.6%</b>	<b>6.5%</b>		<b>4.8%</b>

### Commentary

#### Staff Cost :

- Includes 2 rounds of salary increment post Q3 FY'21 (in Jan'21 and Sep'21), partly offset by savings due to reduction in employee count

#### Other Expenses :

- Reduction in corporate & fixed overheads due to various initiatives undertaken

#### Finance Cost :

- Includes one-time pre closure of NCD/ Vendor financing interest to the tune of INR 7.9 crores

#### Exceptional Items :

- VRS at Shikhoabad factory amounting to INR 10 crores

VRS : Voluntary Retirement Scheme, F&F : Freight & Forwarding, NCD : Non-Convertible Debentures



## Segment Details



### Segment Revenue

Particulars	Q3 FY'22 (in Crores)	Q3 FY'21 (in Crores)	YoY Gr (in %)	Q2 FY'22 (in Crores)
Consumer Products	1,080	1,153	(6.3) %	1,035
EPC	240	347	(31.0) %	267
<b>Total Op. Income</b>	<b>1,320</b>	<b>1,500</b>		<b>1,302</b>

### Segment Results

Particulars	Q3 FY'22		Q3 FY'21		Q2 FY'22	
	EBIT (Cr)	EBIT(%)	EBIT (Cr)	EBIT(%)	EBIT (Cr)	EBIT(%)
Consumer Products	97	9.0 %	142	12.3 %	103	10.0 %
EPC	(5)	(2.0) %	(9)	(2.7) %	(14)	(5.1) %
<b>Total*</b>	<b>92</b>	<b>7.0 %</b>	<b>150</b>	<b>10.0%</b>	<b>99</b>	<b>7.6 %</b>

\*includes other unallocable income

### Commentary

#### CP Segment :

- Volume de-growth mainly due to high base effect (heavy pent-up demand in Q3 FY'21) and greater exposure to rural segment (in overall mix) which has witnessed substantial slowdown
- Gross Margin & EBIT dilution in excess of 200 & 300 bps resp. mainly on a/c of commodity headwinds & no price-hikes taken in Q3
- Maintained brand investment for the quarter despite subdued demand

#### EPC Segment :

- Illumination BU clocked c. INR 146 Crores sales with positive EBIT

## Operational Highlights



### Category Growth

Particulars	Q3 FY'22 (in Crs)	Q3 FY'21 (in Crs)	YoY Gr (in %)	Q2 FY'22 (in Crs)
Appliances	682	716	(4.7) %	603
Fans	198	190	4.2 %	220
Lighting	130	150	(13.2) %	131
Morphy Richards	69	96	(28.0) %	81

### Receivables Movement

Particulars	Dec'21 (in Crs)	Sep'21 (in Crs)	Mar'21 (in %)	Mar'20 (in Crs)
Consumer Products (CP)	583	539	492	563
Power Distribution (PD)	556	674	972	1,388
Power Transmission (PT)	244	231	255	445
Illumination	201	212	198	140
<b>Total</b>	<b>1,584</b>	<b>1,657</b>	<b>1,917</b>	<b>2,537</b>

### Commentary

#### Fans :

- Double-digit 2 year CAGR (c.26%) backed by new launches

#### Appliances :

- De-growth on a/c of high base effect (2-year CAGR c.13%)
- Kitchen Aids - Scaling up in meaningful manner (2-year CAGR >15%)

#### Receivables :

- Sequential reduction in Power Distribution outstanding
- Collection of INR 118 crores in the quarter gone by in PD
- Release of retention money to the tune of INR 14 crs in PD

# Cash Flow Summary

(All fig. in INR Crores)



## Commentary

Particulars	Q3 FY'22	Q3 FY'21	9M FY'22	9M FY'21
Profit Before Exceptional Items and Tax	66	134	114	174
Adjustments for :				
• Non-Cash items	32	20	125	73
• (Increase) / Decrease in WC	60	7	457	385
• Taxes Paid	(19)	(20)	(41)	(24)
<b>Net Cash from Operating Activities (A)</b>	<b>139</b>	<b>141</b>	<b>654</b>	<b>609</b>
Investment in Group Entities	0	0	(25)	0
Capital Expenditure (net of sale proceeds)	(13)	11	(26)	(1)
Miscellaneous Items	(5)	(14)	(2)	(62)
<b>Net Cash (used in) /from investing activities (B)</b>	<b>(18)</b>	<b>(3)</b>	<b>(53)</b>	<b>(63)</b>
Proceeds from issues of shares (net of issue expenses)	3	3	12	5
Proceeds/ (Repayment) of Borrowings	(81)	(118)	(485)	(549)
Payment of Lease Liabilities	(4)	(6)	(14)	(20)
Interest Paid	(41)	(11)	(117)	(56)
<b>Net Cash (used in) /from financing activities (C)</b>	<b>(122)</b>	<b>(132)</b>	<b>(603)</b>	<b>(619)</b>
Net increase / (decrease) in Cash & Bank balances	(0)	6	(2)	(74)
Opening Balance of Cash/Bank Balances	44	22	46	102
Acquired on Business Combination	1	0	1	0
<b>Closing Balance of Cash/Bank Balances</b>	<b>45</b>	<b>28</b>	<b>45</b>	<b>28</b>

### Cash from Operations:

- To the tune of INR 139 crores for Q3 mainly due to collection from PD business

### Repayment of Borrowings:

- Overall Gross Debt & Net Debt reduced by INR 80 and 81 crores respectively during Q3

### Interest paid :

- Includes accrued interest paid for last NCD tranche (pre-payment of INR 75 crores)

WC : Working Capital, NCD : Non-Convertible Debentures

## Debt Position



(All fig. in INR Crores)

Particulars	As on Dec'21	As on Sep'21	As on Dec'20
Gross Debt	201	281	441
Less: Cash & Cash Equivalent	45	44	28
<b>Net Debt</b>	156	237	413
<b>Networth</b>	1,659	1,606	1,527
<b>Net Debt / Equity (x)</b>	0.09	0.15	0.27
<b>Interest Coverage (x) (YTD)</b>	3.1		

Note : Interest coverage = EBIT/ Finance Cost

CRISIL has assigned **A1+ rating (highest notch)** for Short Term Debt of INR 100 crores (13<sup>th</sup> Jan'2022)

## Business Highlights

- New Launches (Consumer Products, Illumination)
- Brand Campaigns (Consumer Products)
- Marquee Project (Illumination)
- Project Update (Power Transmission, Distribution)
- Awards & Recognitions

## New Product Launches (Consumer Products)



### Fierro

Titanium glass lined coated tank with Swirl flow technology

### Twister Neo

Nutri-Pro feature with 2-in-1 function blade



### Ivora Duo Glow LED

3 mode options- Cool Day, Warm Day & Decorative Mode

32\*  
Launches  
in Q3

### Herculo

Heavy weight plastic-body Iron



### Hurricane

Super high speed, rust-free fan



### Novella

High Speed decorative fan



\*c.100 during 9M FY'22

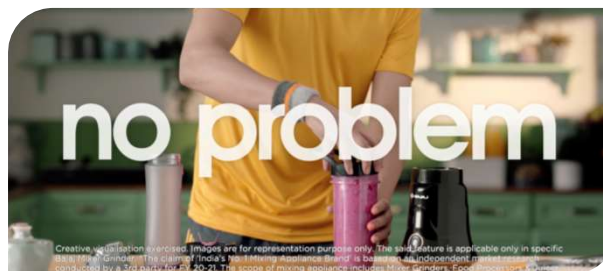
# Brand Campaigns (Consumer Products)



## Water Heater Campaign (Pan India)



## Mixer Grinder Festive Campaign (Pan India)



## New Product Launches (Illumination)



### Nuke

High Lumen efficacy &  
Uniform Illumination

### Hexo

UV & corrosion resistant,  
non-yellowing secondary  
lens



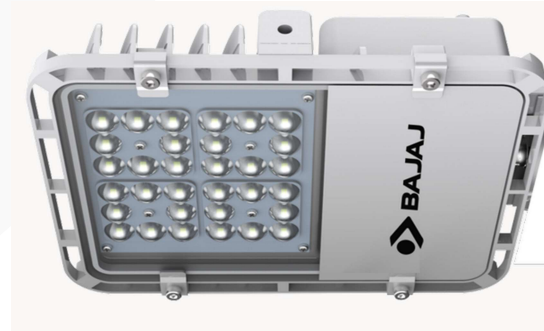
173\*  
Launches  
in Q3

### Levitare

Workspace ambience  
lighting (suspended &  
recessed)

### Lucid

High Energy Efficient &  
improved Thermal  
Management



\* 331 during 9M FY'22



# Marquee Project (Architectural Lighting)



## Project Update



### Power Transmission (PT)

- **L1 in orders worth INR 510 crores** (c.90% domestic & c.10% international)
- c.111 ckms of transmission line commissioned at Karnataka
- Commissioning of the Hybrid Gas Insulated substation for PGCIL at Bhadla, Rajasthan with one of the longest bus ducts
- End-to-end execution of critical sub-structure in the heart of Mumbai (in-house design, validation & erection)



### Power Distribution (PD)

- Total open projects as on end Dec'21 stands reduced at 04
- Robust collections **in excess of INR 400 crores during 9M FY'22** (impetus on financial closure subsequent to operation closure)



# Awards & Recognitions



**BAJAJ**  
Inspiring Trust

Great Place To Work Certified

Bajaj Electricals winner in  
**ENVIRONMENT LEADERSHIP**  
in the Manufacturing Sector

'Project Evaluation and Recognition Program' by  
**FROST & SULLIVAN**



**BAJAJ**  
Bajaj Electricals Ltd.  
Inspiring Trust

Great Place To Work Certified

We are proud to have won the  
**SUSTAINABILITY EXCELLENCE AWARD**  
at  
**SCALE**  
Supply Chain And Logistics Excellence  
Awards

## Update : Corporate Restructuring

- Strategic Intent
- Proposed Structure : Key Highlights

# Strategic Intent



## Bajaj Electricals Limited (Existing)

### EPC Segment

Power  
Transmission

Power  
Distribution

Illumination

*To be separated into a new entity*

### Consumer Products Segment

Appliances, Fans & Consumer Lighting products  
(India & Exports)

## RemainCo & DivestCo (Proposed)

Streamlined Business  
Structure

Attract & retain the right  
Talent

Sharper and well-defined  
corporate positioning

Distinct Investment  
Profile

Tailored capital structure  
& allocation policies

Enhances Focus  
on each business

Long term  
growth

Enhances growth  
opportunities

Distinct  
Organisation  
cultures/ DNA

Unlocks value for all stakeholders  
with better de-risking

Attracts distinct, deeper and broader  
investor base

Enables distinct leveraging and risk-  
rewards management

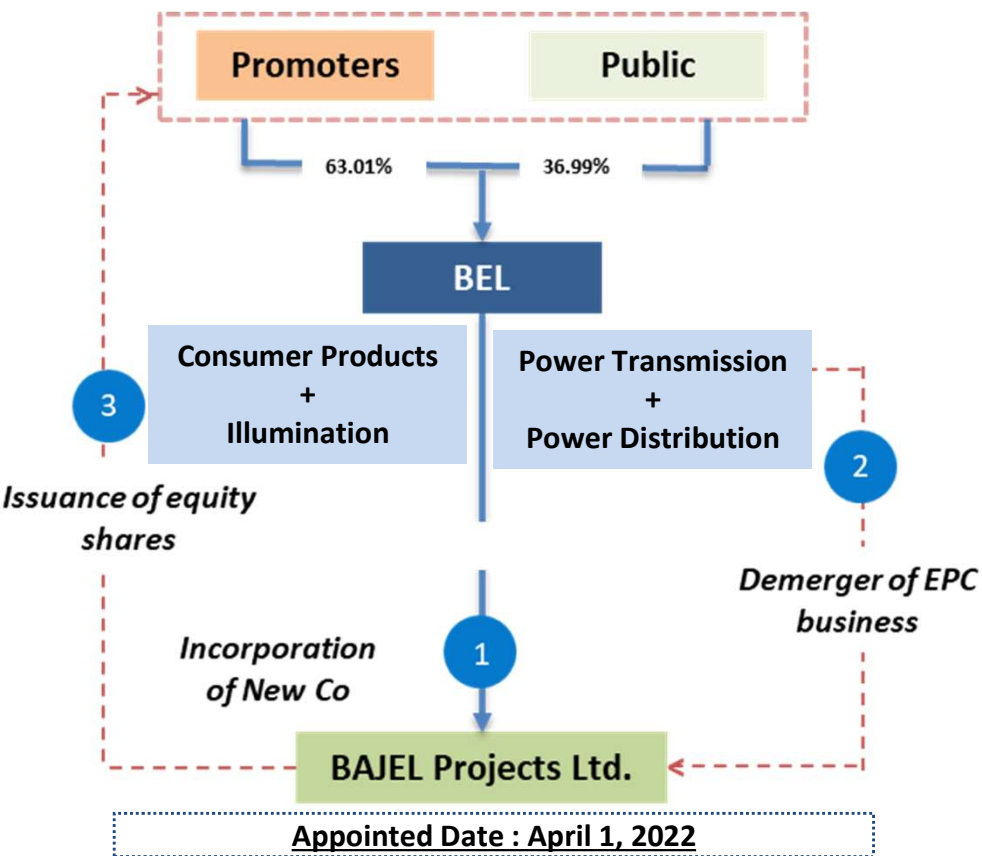
# Proposed Structure : Key Highlights

## Transaction Mechanics

- New Company “ **Bajel Projects Limited (BPL)**” incorporated
- Power Distribution & Power Transmission business segments to be demerged to BPL on a going concern basis,
- Above is pursuant to a scheme of arrangement of demerger **via NCLT driven process**
- **Mirror shareholding** in both companies (1:1 ratio)

## Salient Features

- Continue as a part of Bajaj Group
- **Both entities to be publicly listed**
- Tax neutral transaction, No fractional allotment
- No separate payouts of any kind to any investors/promoters

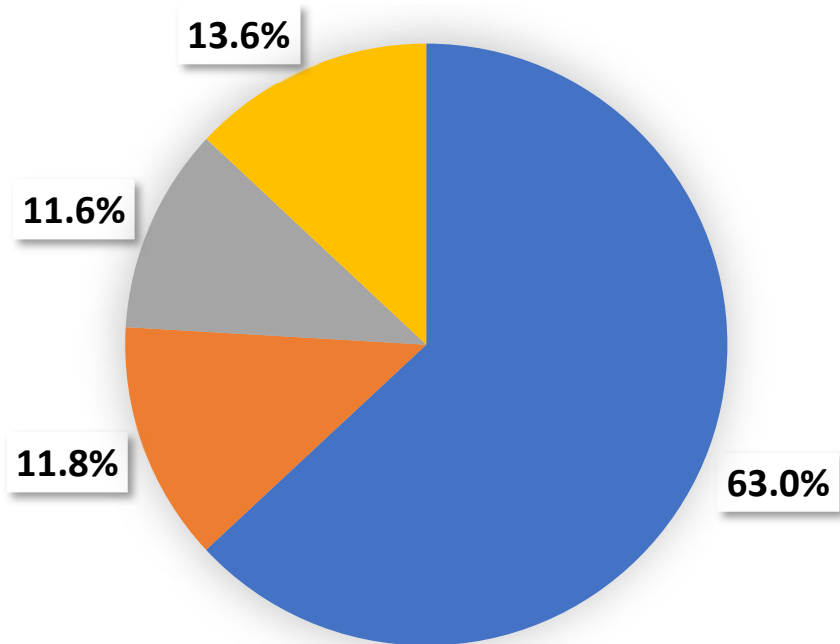


Thank You

## Shareholding Information



Pattern as on 31<sup>st</sup> December, 2021



For IR related queries

Write to us at

Rakesh Dash

[Rakesh.dash@bajajelectricals.com](mailto:Rakesh.dash@bajajelectricals.com)

Suketu Shah

[Suketu.shah@bajajelectricals.com](mailto:Suketu.shah@bajajelectricals.com)

■ Promoter & Promoter Group      ■ Foreign Institutional Investors  
■ Domestic Investors                      ■ Others/ Retail Investors