

August 09, 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
Scrip Code: 532953	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 Investor Presentation on Un-Audited Financial Results of the Company for the quarter ended June 30, 2023.

We request you to kindly take the above information on 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

Q1 FY24 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.



Table of Contents

MD's Message	04
Key Highlights	05
Financial Highlights	06-09
Segment-wise/Geographical Breakup of Revenues	10-11
Annexure	12-14

Managing Director's Message



Commenting on the performance for Q1 FY24, Mr. Mithun Chittilappilly, Managing Director – V-Guard Industries Limited said, “We have commenced the financial year 2023-24 on a positive note as we reported consolidated Net revenues of Rs. 1,215 crore in Q1, higher by 19.3% on a year-on-year basis. Excluding the revenues from Sunflame, like-for-like revenue growth is 13.1% YoY and this is ahead of the CAGR of 12.3% in revenues over the period FY19-23.

The Electronics segment has driven strong topline growth of ~20% YoY supported by Electricals and Consumer Durables, enabling broadbased growth across segments. We continue to make progress towards achieving scale in key Durable categories.

In Q1, the South market grew by 9.9% YoY while the Non-South markets grew by 16.7% YoY as the North region was somewhat impacted by unfavourable weather conditions. As Non-South markets continue to grow well, their contribution to revenues has neared 50%, thereby strengthening the business.

The impact of softening in commodity prices has started to reflect in gross margin with gradual improvement over the last few quarters. We expect further improvement to reflect in the coming quarters. We have normalised our inventory levels, as indicated earlier, and this has helped generate a strong cash flow this quarter.

The Simon integration is progressing well and the backend processes are now integrated. In Sunflame, we have the management team in place as key hirings have been completed which has enabled basic alignment while further steps will be undertaken shortly to enable full integration.

With these acquisitions being streamlined, inventories normalised and upward momentum in topline and margin, the business is well placed to execute on plans for growth. We look forward to the upcoming festive season and are hopeful to sustain the growth momentum during the quarters ahead.”

Key Highlights – Q1 FY24



Revenue increased by 19.3% YoY in Q1 FY24

- Q1 FY24 revenue increased by 19.3% YoY to Rs. 1,214.8 crore
- South markets witnessed a YoY growth of 9.9% whereas Non-South markets grew by 16.7% in Q1 FY24
- Non-South markets contributed to 48.4% of total revenues in Q1 FY24 as compared to 46.9% in Q1 FY23

EBITDA performance and PAT

- Gross margin expanded by 250 bps YoY, at 32.5% in Q1 FY24 with the moderation in input costs and normalising of high-cost inventories
- Ad/promotional spends, at 2.2% of revenues in Q1 FY24 as compared to 2.0% in Q1 FY23
- EBITDA at Rs. 104.8 crore in Q1 FY24 grew 27.7% YoY, as compared to Rs. 82.0 crore in Q1 FY23
- EBITDA margins expanded by 50 bps YoY, at 8.6% as compared to 8.1% in Q1 FY23
- Q1 FY24 PAT increased 20.3% YoY to Rs. 64.2 crore

Robust cash flow generation and balance sheet

- CFO generation for Q1 FY24 at Rs. 210.9 crore, improved significantly as compared to Rs. 177.4 crore for Q1 FY23 on account of reduction in working capital
- ROE and ROCE at 11.9% and 12.6%, respectively over the last 12 months
- Net debt has increased to Rs. 195.9 crore as on 30th June 2023, as against net cash of Rs. 198.9 crore as on 30th June 2022. This is due to funding requirements for the Sunflame acquisition.

P&L Snapshot (including Sunflame)



P&L Statement	Q1 FY24	Q1 FY23	Change	Q4 FY23	FY23	FY22	Change
Particulars	(Rs. Cr)	(Rs. Cr)	%	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	%
Net Revenue	1,214.76	1,018.29	19.3%	1,140.14	4,126.04	3,500.19	17.9%
COGS	819.90	712.86	15.0%	783.11	2,884.39	2,413.89	19.5%
Gross Margin	32.5%	30.0%	2.5%	31.3%	30.1%	31.0%	-0.9%
EBITDA (excluding other income)	104.75	82.03	27.7%	98.66	319.91	340.23	-6.0%
as a % to Net Revenue (NR)	8.6%	8.1%	0.5%	8.7%	7.8%	9.7%	-1.9%
Other Income (including finance income)	11.79	5.12	130.3%	2.63	16.44	10.76	52.8%
EBITDA including other income	116.54	87.15	33.7%	101.29	336.35	350.99	-4.2%
as a % to NR	9.6%	8.6%	1.0%	8.9%	8.2%	10.0%	-1.8%
PBT	85.91	71.66	19.9%	72.07	255.74	293.96	-13.0%
as a % to NR	7.1%	7.0%	0.1%	6.3%	6.2%	8.4%	-2.2%
PAT	64.22	53.37	20.3%	52.73	189.05	228.44	-17.2%
as a % to NR	5.3%	5.2%	0.1%	4.6%	4.6%	6.5%	-1.9%

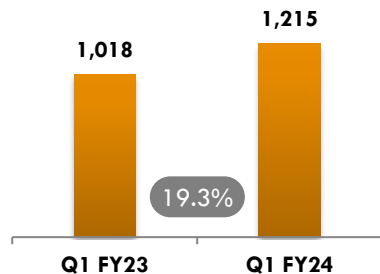
P&L Snapshot (excluding Sunflame)



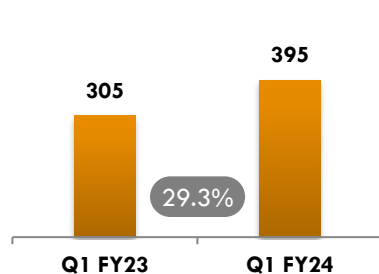
P&L Statement Particulars	Q1 FY24 (Rs. Cr)	Q1 FY23 (Rs. Cr)	Change %	Q4 FY23 (Rs. Cr)	FY23 (Rs. Cr)	FY22 (Rs. Cr)	Change %
Net Revenue	1,151.61	1,018.29	13.1%	1,083.24	4,069.14	3,500.19	16.3%
COGS	779.08	712.86	9.3%	748.04	2,849.32	2,413.89	18.0%
Gross Margin	32.3%	30.0%	2.3%	30.9%	30.0%	31.0%	-1.0%
EBITDA (excluding other income)	97.21	82.03	18.5%	89.21	310.46	340.23	-8.7%
as a % to Net Revenue (NR)	8.4%	8.1%	0.3%	8.2%	7.6%	9.7%	-2.1%
Other Income (including finance income)	11.34	5.12	121.5%	2.17	15.98	10.76	48.5%
EBITDA including other income	108.55	87.15	24.5%	91.38	326.44	350.99	-7.0%
as a % to NR	9.4%	8.6%	0.8%	8.4%	8.0%	10.0%	-2.0%
PBT	80.15	71.66	11.8%	64.06	247.73	293.96	-15.7%
as a % to NR	7.0%	7.0%	-	5.9%	6.1%	8.4%	-2.3%
PAT	59.91	53.37	12.2%	46.69	183.01	228.44	-19.9%
as a % to NR	5.2%	5.2%	-	4.3%	4.5%	6.5%	-2.0%

Financial Highlights (Q1 FY24 vs. Q1 FY23)

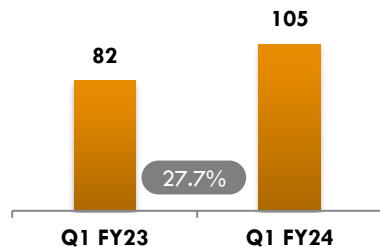
Revenue (Rs. crore)



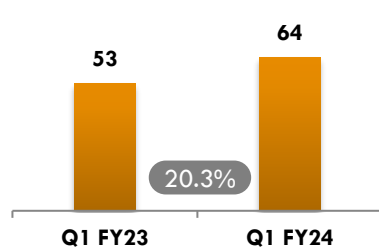
Gross Profit



EBITDA (Rs. crore)



PAT (Rs. crore)



Key ratios (%)	Q1 FY24	Q1 FY23
Gross Margin	32.5%	30.0%
EBITDA Margin (excl. other income)	8.6%	8.1%
Net Margin	5.3%	5.2%
Ad & Promotion Exp./ Total Revenues	2.2%	2.0%
Employee Cost/ Total Operating Income	8.6%	7.7%
Other Expenditure/ Total Operating Income	15.3%	14.2%
Tax rate	25.2%	25.5%
Diluted EPS (Rs.)	1.47	1.23

Financial Highlights – Balance Sheet Perspective



Balance Sheet Snapshot (Rs. Cr)	30 June 2023	31 March 2023	30 June 2022
Net Worth	1,676.8	1,607.6	1,470.0
Gross Debt	379.2	419.6	10.0
Current Investments	90.2	0.1	70.1
Cash & Cash Equivalents (inc. bank balance)	93.1	66.9	138.8
Net Cash Position (Rs. crore)	-195.9	-352.6	198.9
Fixed Assets	924.3	912.4	403.3

Balance Sheet Snapshot (Rs. Cr)	30 June 2023	31 March 2023	30 June 2022
Debtor (days)*	43	50	34
Inventory (days)*	87	97	109
Creditor (days)*	60	62	59
Working Capital Turnover (days)	70	85	84
RoE* (%)	11.9%	11.8%	17.4%
RoCE* (%)	12.6%	12.0%	22.1%

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

Based on Consolidated Financials

Segment-wise Breakup – Q1 FY24 vs. Q1 FY23



Segment Revenue	Q1 FY24 (Rs. Cr)	Contribution (%)	Q1 FY23 (Rs. Cr)	Contribution (%)	YoY growth (%)
Electronics	363.7	29.9%	303.4	29.8%	19.9%
Electricals	456.7	37.6%	415.8	40.8%	9.8%
Consumer Durables	331.2	27.3%	299.1	29.4%	10.7%
Sunflame	63.2	5.2%	-	-	-
Grand Total	1,214.8	100.0%	1,018.3	100.0%	19.3%

Segment Result	Q1 FY24 (Rs. Cr)	Margin (%)	Q1 FY23 (Rs. Cr)	Margin (%)	YoY growth (%)
Electronics	58.5	16.1%	42.9	14.1%	36.3%
Electricals	29.0	6.3%	28.3	6.8%	2.4%
Consumer Durables	0.9	0.3%	3.8	1.3%	-77.0%
Sunflame	5.8	9.2%	-	-	-
Grand Total	94.2	7.8%	75.0	7.4%	25.6%

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



Geographical Breakup of Revenues





Region	Q1 FY24 (Rs. Cr)	Contribution (%)	Q1 FY23 (Rs. Cr)	Contribution (%)	YoY growth (%)
South	593.7	51.6%	540.2	53.1%	9.9%
Non-South	557.9	48.4%	478.1	46.9%	16.7%
Total (excl. Sunflame)	1,151.6	100%	1,018.3	100%	13.1%
Sunflame	63.2		-		-
Total Revenue	1,214.8		1,018.3		19.3%



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, Pantnagar & Haridwar (Uttarakhand), Kala Amb (Himachal Pradesh), Hyderabad (Telangana), Faridabad (Haryana) 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 32 branches which cover ~60,000+ channel partners across the country.



For further information, please contact:

Sudarshan Kasturi (Senior VP & CFO)

V-Guard Industries Limited

Tel: +91 484 300 5601

Email: sudarshan.kasturi@vguard.in

Mayank Vaswani / Shruti Joshi

CDR India

Tel: +91 982 094 0953 / +91 750 656 7349

Email: mayank@cdr-india.com / shruti@cdr-india.com



THANK YOU