



PG ELECTROPLAST LIMITED

CIN-L32109DL2003PLC119416

Corporate Office :

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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: Press Release

Dear Sir/Madam,

We enclose a copy of Press Release titled "Steadily marching forward!" on the Unaudited Financial Results of the Company for the 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)
Company Secretary

Steadily marching forward!

Delhi (India), November 14, 2022: PG Electroplast Ltd. (PGEL), one of the pioneers and leaders in the Electronic Manufacturing Services and Plastic Molding announced its results for the quarter ended September 30th, 2022, as approved by its Board of Directors.

“PG achieved another milestone in 1HFY2023, as its Washing Machines Business ascended new heights, completing deliveries of over 250,000 washing machines in 1HFY2023. Capacity expansions are on track. The new Washing Machine line at Noida has been commissioned, while the new Room AC capacities are expected to be up and running by December 2022. With further scale up in the product business in second half, FY2023 could be another landmark year for the company.

Our focus on R&D, Product Development, Capacity enhancement and Capability buildout continues, and we are confident of sustaining our momentum in the coming times. The outlook for the company remains strong as the product business continues to scale up to its potential through addition of new clients and through increases in wallet share from our existing clients. The company has, and continues to, position itself well to capitalize on the growth opportunities in the industry in coming years.

-Mr. Vikas Gupta, MD Operations

Key Financial Highlights:

Quarter ended Sept. 30, 2022

- Net Sales for the quarter were INR 3278 million – a growth of 65.2% YoY.
- Quarterly EBITDA stood at INR 277.2 million versus INR 133.2 million in 2QFY2022 – a growth of 108.1%.
- Quarterly Net Profits stood at INR 71.7million versus INR 36.5 million in 2QFY2022.

Half-year ended Sep. 30, 2022

- Net Sales for the quarter were INR 8630 million – a growth of 156.9% YoY.
- EBITDA stood at INR 653.6 million versus INR 231.2 million in– a growth of 182.6%.
- Net Profits stood at INR 235.7 million versus INR 42.4 million in 1HFY2022.

Other Highlights

- Product business crossed INR4.5bn in 1HFY2023 and it contributed 52.9% of the total revenues. Room AC business crossed INR 3bn during the first half, which is more than the AC business in FY2022. The Washing Machines business for the first half had a growth of 122.8% YoY and company sold over 2.5 Lakh washing machines. Order book for product business remains robust and the company is on track to scale the product business significantly in FY2023.
- During the period, operating margins are lower due to mix change and an accounting policy change of recognizing the forex loss as a part of operational expense rather than taking it into exceptional loss.
- On Balance sheet side, net debt is near its peak and has increased by almost INR 450 million in 1H2023. Advances for capacity expansion and increase in working capital has been funded by new debt. Inventory and working capital days are extended due to preparation of the ensuing AC season, which is in the process of ramping up.
- R&D, New Product Development and Capacity Enhancement across product businesses are proceeding as per plan. New product offerings in Washing Machines and Room AC from company are under validation and testing phase.
- Company continues to see increased interest for business from new and existing clients, and we remain very confident on the future growth prospects of the business.
- With new capacity enhancement and further backward integration for the product businesses, company should scale new heights in FY2023. The Outlook for product business remains robust and coming quarters should see further scale up in the business.

Future Outlook

Management sees increased opportunities with existing and new customers based on the current business environment. With new capacities and capabilities, company is uniquely positioned in the consumer durables & plastics space in India, and in the coming years, the company aspires to:

- Have Industry leading growth in Revenues
- Gradually improve margins through operational efficiencies and operating leverage
- Achieve better capital efficiency resulting from improved cash flows & balance sheet optimization

Specific guidance for FY2023

- The company continues to maintain the Sales guidance of INR 1800 crores which is a growth of 64% over FY2022 consolidated sales and operating profit guidance of INR 125 crores which is a growth of 68% over FY2022 operating profit of INR 75 crores.

- The growth in product business i.e., Washing Machines, Room Air conditioners and Coolers is expected to be ~120% from INR 478 crores to INR 1050 crores in FY2022.
- Capex for FY2023 will also be in the range of INR 130-140 crores and Company will double washing machines capacity, while also further expand Room AC capacity to 200,000 Indoor Units and 100,000 outdoor units, along with further backward integration by adding the set up for Room AC controllers.

About PG Electroplast Ltd.

PG Electroplast [NSE: PGEL] is a trusted partner for manufacturing solutions for leading consumer durables and consumer electronics companies in India. Company has one of the biggest capacities in the Plastic Injection Molding and has capabilities across the value chain for producing components and fully built Home Appliances and Electronics Manufacturing Services (EMS) industries.

Safe Harbor

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause our actual results to differ materially from those in such forward-looking statements. We do not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.

Visit us at www.pgel.in

For more information, contact investors@pgel.in.