

CG Power and Industrial Solutions Limited

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Corporate Identity Number: L99999MH1937PLC002641



Smart solutions.
Strong relationships.

Our Ref: COSEC/167/2022-23

24th January, 2023

By Portal

The Corporate Relationship Department

BSE Limited
1st Floor, New Trading Ring,
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001
Scrip Code : 500093

The Listing Department

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

Scrip Code : CGPOWER

Dear Sir/Madam,

Sub: Press Release

Please find enclosed Press Release issued by the Company in connection with the financial results for the 3rd quarter and nine months ended 31st December, 2022, announced today.

Request you to kindly take the same on record.

Thanking you,

Yours faithfully,
For **CG Power and Industrial Solutions Limited**

P Varadarajan
Company Secretary

Encl: As above



CG POWER AND INDUSTRIAL SOLUTIONS LTD

Q3 FY 2022-23 Performance – YoY Sales grew 14% and PBT by 70%

All the businesses of the Company performed significantly well in Q3 FY23 registering a 70% growth in PBT YoY. **Sales and PBT recorded in the Quarter were highest in recent times.**

FINANCIAL RESULTS (STANDALONE)

| INR Crores | Q3 FY 23 | Q3 FY 22 | YoY% | Q2 FY 23 | QoQ% | 9M FY23 | 9M FY22 | YoY% |
|-----------------------------------|----------|----------|------|----------|------|---------|---------|------|
| Sales | 1,645 | 1,446 | 14% | 1,588 | 4% | 4,792 | 3,752 | 28% |
| EBITDA (including Other income) | 295 | 196 | 50% | 260 | 14% | 744 | 477 | 56% |
| EBITDA / Sales % | 18.0% | 13.6% | | 16.3% | | 15.5% | 12.7% | |
| PBT | 274 | 161 | 70% | 237 | 16% | 675 | 371 | 82% |
| PBT / Sales % | 16.6% | 11.1% | | 14.9% | | 14.1% | 9.9% | |
| PAT (excluding exceptional items) | 192 | 118 | 63% | 177 | 8% | 492 | 278 | 77% |
| Exceptional Income (Net) | 51 | 242 | | 1 | | 53 | 240 | |

- **Aggregate sales** for the quarter were higher at Rs. 1,645 crores recording a growth of 14% YoY and 4% QoQ.
- **PBT** was at Rs. 274 crores (16.6% of sales) in Q3FY23 as against Rs 161 crores (11.1% of sales) in Q3FY22 and Rs. 237 crores (14.9% of sales) in Q2FY23.
- **Margins** were higher on account of better price realisation, higher volumes, favourable product mix, moderation in input costs and procurement efficiencies.
- **ROCE (on annualised basis)** for Q3 FY23 was at 55% as against 42% in Q3 FY22.
- **Free Cash Flow** generated for the quarter was Rs. 202 crores.
- **Order intake** for Q3 FY23 was Rs. 2,219 crores (21% growth YoY) and **Unexecuted Order Book** as at 31 Dec 2022 was Rs. 4,136 crores (34% higher YoY).

Segment wise performance

Industrial Systems

| INR Crores | Q3 FY 23 | Q3 FY 22 | YoY% | Q2 FY 23 | QoQ% | 9M FY23 | 9M FY22 | YoY% |
|------------------|----------|----------|------|----------|------|---------|---------|------|
| Sales | 1,162 | 1,017 | 14% | 1,094 | 6% | 3,362 | 2,685 | 25% |
| EBITDA | 221 | 151 | 46% | 203 | 9% | 584 | 351 | 66% |
| EBITDA / Sales % | 19.0% | 14.9% | | 18.5% | | 17.4% | 13.1% | |
| PBIT | 213 | 144 | 48% | 195 | 9% | 560 | 330 | 70% |
| PBIT / Sales % | 18.3% | 14.2% | | 17.8% | | 16.6% | 12.3% | |



- **Aggregate sales** for the quarter were higher at Rs. 1,162 crores recording a growth of 14% YoY and 6% QoQ
- **PBIT** was at Rs. 213 crores (18.3% of sales) in Q3FY23 as against Rs 144 crores (14.2% of sales) in Q3FY22 and Rs. 195 crores (17.8% of sales) in Q2FY23.
- **Margins** were higher on account of better price realisation, higher volumes, favourable product mix, moderation in input costs and procurement efficiencies.
- **Order intake** for Q3 FY23 was Rs. 1,357 crores (24% growth YoY) and **Unexecuted Order book** as at 31 Dec 2022 was Rs 1,824 crores (17% higher YoY).

Power systems

| INR Crores | Q3 FY 23 | Q3 FY 22 | YoY% | Q2 FY 23 | QoQ% | 9M FY23 | 9M FY22 | YoY% |
|------------------|----------|----------|------|----------|------|---------|---------|------|
| Sales | 484 | 430 | 13% | 494 | (2%) | 1,430 | 1,068 | 34% |
| EBITDA | 65 | 60 | 10% | 64 | 2% | 178 | 145 | 23% |
| EBITDA / Sales % | 13.5% | 13.9% | | 13.0% | | 12.5% | 13.6% | |
| PBIT | 57 | 51 | 12% | 55 | 2% | 152 | 118 | 29% |
| PBIT / Sales % | 11.7% | 11.8% | | 11.2% | | 10.6% | 11.0% | |

- Aggregate sales for the quarter were higher at Rs 484 crores recording a growth of 13% YoY while lower 2% QoQ
- **PBIT** was at Rs. 57 crores (11.7% of sales) in Q3FY23 as against Rs 51 crores (11.8% of sales) in Q3FY22 and Rs. 55 crores (11.2% of sales) in Q2FY23.
- **Order intake** for Q3 FY23 was Rs. 862 crores (17% growth YoY) and **Unexecuted Order book** as at 31 Dec 2022 was Rs 2,312 crores (50% higher YoY).

FINANCIAL RESULTS (CONSOLIDATED)

| INR Crores | Q3 FY 23 | Q3 FY 22 | YoY% | Q2 FY 23 | QoQ% | 9M FY23 | 9M FY22 | YoY% |
|-----------------------------------|----------|----------|------|----------|------|---------|---------|------|
| Sales | 1,775 | 1,551 | 14% | 1,696 | 5% | 5,137 | 4,055 | 27% |
| EBITDA (including Other income) | 310 | 216 | 44% | 270 | 15% | 782 | 518 | 51% |
| EBITDA / Sales % | 17.5% | 13.9% | | 15.9% | | 15.2% | 12.8% | |
| PBT | 282 | 174 | 62% | 241 | 17% | 694 | 389 | 79% |
| PBT / Sales % | 15.9% | 11.2% | | 14.2% | | 13.5% | 9.6% | |
| PAT (excluding exceptional items) | 199 | 130 | 54% | 178 | 12% | 506 | 293 | 72% |
| Exceptional Income (Net) | 31 | 416 | | 1 | | 33 | 508 | |

Consolidated results include the performance of the operating Subsidiaries at USA (QEI Inc.) and in Sweden, Germany and Netherlands (Drives and Automation Europe) and other non-operating and holding subsidiaries.



- Aggregate sales for the quarter were higher at Rs. 1,775 crores recording a growth of 14% YoY and 5% QoQ.
- PBT was at Rs. 282 crores (15.9% of sales) in Q3FY23 as against Rs 174 crores (11.2% of sales) in Q3FY22 and Rs. 241 crores (14.2% of sales) in Q2FY23.
- **Unexecuted Order Book** of Drives and Automation, Europe as at 31 Dec 2022 was Rs. 146 crores (48% higher YoY).

Key events in Q3:

- 1) The Company pre-redeemed Non-convertible Debentures worth Rs. 200 crores, post which the Company has become debt free.
- 2) The Board of directors have approved a proposal to expand the manufacturing capacity of Transformers at its plants in Bhopal and Malanpur with an investment of Rs. 126 crores.

Unaudited financial statements with detailed notes are available as part of stock exchange filing and in the company's website www.cgglobal.com

About Murugappa Group

Founded in 1900, the INR 547 Billion (INR 54,722 Crores) Murugappa Group is one of India's leading business conglomerates. The Group has 29 businesses including ten listed Companies traded in NSE & BSE. Headquartered in Chennai, the major Companies of the Group include Carborundum Universal Ltd., CG Power and Industrial Solutions Ltd., Cholamandalam Financial Holdings Ltd., Cholamandalam Investment and Finance Company Ltd., Cholamandalam MS General Insurance Company Ltd., Coromandel International Ltd., Coromandel Engineering Company Ltd., E.I.D. Parry (India) Ltd., Parry Agro Industries Ltd., Shanthi Gears Ltd., Tube Investments of India Ltd. and Wendt (India) Ltd.

The Group holds leadership position in several product lines including Abrasives, Technical Ceramics, Electro Minerals, Auto Components & Systems, Power Conversion Equipment, Transformers & Reactors for the Power T&D segment, Solutions for Railways in Rolling Stock & Signalling Equipment, Bicycles, Fertilisers, Sugar, Tea and Spirulina (Nutraceuticals). The Group has forged strong alliances with leading international companies such as Groupe Chimique Tunisien, Foskor, Mitsui Sumitomo, Morgan Advanced Materials, Yanmar & Co. and Compagnie Des Phosphat De Gafsa (CPG). The Group has a wide geographical presence all over India and spanning 6 continents.



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Strong relationships.

Renowned brands like BSA, Hercules, Montra, Mach City, Ballmaster, Ajax, Rhodius, Parry's, Chola, Gromor, Shanthi Gears and Paramfos are from the Murugappa stable. The Group fosters an environment of professionalism and has a workforce of over 59,000 employees.

For more details, visit <https://www.murugappa.com/>

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