

CG Power and Industrial Solutions Limited

Registered Office:
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Corporate Identity Number: L99999MH1937PLC002641



Smart solutions.
Strong relationships.

Our Ref: COSEC/169/2024-25

21st October, 2024

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 2nd quarter and half year ended 30th September, 2024, announced today.

Request you to kindly take the same on record.

Thanking you,

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

Sanjay Kumar Chowdhary
Company Secretary and Compliance Officer

Encl: As above



CG POWER AND INDUSTRIAL SOLUTIONS LTD

Q2 FY 2024-25 – Sales grew YoY by 19% and Order backlog remains robust

Sales of Rs. 2,270 crores and PBT of Rs. 298 crores (Adjusted PBT at Rs. 334 crs) achieved during Q2 FY25 is the highest ever for Q2 in recent times.

FINANCIAL RESULTS (STANDALONE)

INR Crores	Q2 FY 25	Q2 FY 24	YoY%	Q1 FY 25	QoQ%	H1 FY25	H1 FY24	YoY%
Sales	2,270	1,900	19%	2,106	8%	4,377	3,666	19%
EBITDA	322	313	3%	346	(7%)	668	589	13%
EBITDA / Sales %	14.2%	16.4%		16.4%		15.3%	16.1%	
PBT (before EI)	298	293	2%	325	(8%)	623	549	14%
PBT / Sales %	13.1%	15.4%		15.4%		14.2%	15.0%	
PAT (before EI)	223	213	5%	232	(4%)	455	405	12%
Exceptional Income (Net)	-	142		-		-	142	
PAT	223	355		232		455	547	

EI: Exceptional items

- **Aggregate sales** for the quarter was **Rs. 2,270 crores** with a growth of **19% YoY** and **8%** up v/s PQ.
- **PBT** was higher at Rs. 298 crores (Adjusted PBT at Rs. 334 crs) as against Rs 293 crores in Q2FY24.
- **PBT %** was lower YoY at 13.1% of sales (15.4% of sales in last year) primarily due to
 - **Strategic expenses of 36 crs incurred towards acquisition, strategic initiatives and consultancy fees.** Adjusted PBT margin, adjusting for these costs would have been 14.7%.
 - *Mix change, skewed towards railways business and a bit of sluggishness in demand for Motors Business*
- **Free cash flow** generated for the quarter was Rs.227 crores. FCF to PAT at 102%.
- **ROCE (Return on capital employed - annualised)** for Q2FY25 was at 33%.
- **Order intake** for Q2FY25 was Rs. 3,196 crores (43% growth YoY) and **Unexecuted Order backlog** as at 30 Sep 2024 was Rs. 7,831 crores (50% higher YoY).

Segment wise performance

Industrial Systems

INR Crores	Q2 FY 25	Q2 FY 24	YoY%	Q1 FY 25	QoQ%	H1 FY25	H1 FY24	YoY%
Sales	1,425	1,283	11%	1,357	5%	2,782	2,538	10%
EBITDA	176	215	(18%)	192	(8%)	367	421	(13%)
EBITDA / Sales %	12.3%	16.8%		14.1%		13.2%	16.6%	
PBIT	166	207	(20%)	182	(9%)	347	404	(14%)
PBIT / Sales %	11.6%	16.1%		13.4%		12.5%	15.9%	

- **Aggregate sales** for the quarter were higher at Rs. 1,425 crores recording a growth of 11% YoY.
- **PBIT** was at Rs. 166 crores (11.6% of sales) as against Rs 207 crores (16.1% of sales) in Q2FY24.
 - Margins were lower YoY on account of mix change skewed towards railways business and sluggishness in demand for Motors Business
- **Order intake** for Q2FY25 was Rs. 1,732 crores (56% growth YoY) and **Unexecuted Order backlog** as at 30 Sep 2024 was Rs. 2,700 crores (45% higher YoY).



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Power systems

INR Crores	Q2 FY 25	Q2 FY 24	YoY%	Q1 FY 25	QoQ%	H1 FY25	H1 FY24	YoY%
Sales	846	619	37%	750	13%	1,596	1,131	41%
EBITDA	158	111	42%	158	(0%)	316	183	73%
EBITDA / Sales %	18.7%	17.9%		21.1%		19.8%	16.1%	
PBIT	149	103	45%	149	(0%)	298	165	80%
PBIT / Sales %	17.6%	16.6%		19.9%		18.7%	14.6%	

- **Aggregate sales** for the quarter were higher at Rs 846 crores with a growth of 37% YoY.
- **PBIT** was at Rs. 149 crores (17.6% of sales) as against Rs 103 crores (16.6% of sales) in Q2FY24.
- **Margins** were higher YoY on account of operating leverage and cost efficiencies.
- **Order intake** for Q2FY25 was Rs. 1,463 crores (31% growth YoY) and **Unexecuted Order Backlog** as at 30 Sep 2024 was Rs. 5,131 crores (53% higher YoY).

FINANCIAL RESULTS (CONSOLIDATED)

INR Crores	Q2 FY 25	Q2 FY 24	YoY%	Q1 FY 25	QoQ%	H1 FY25	H1 FY24	YoY%
Sales	2,413	2,002	21%	2,228	8%	4,640	3,876	20%
EBITDA	324	326	(1%)	360	(10%)	684	614	11%
EBITDA / Sales %	13.4%	16.3%		16.2%		14.7%	15.8%	
PBT (before EI)	294	303	(3%)	336	(12%)	629	565	11%
PBT / Sales %	12.2%	15.1%		15.1%		13.6%	14.6%	
PAT (before EI)	220	217	1%	241	(9%)	461	413	12%
Exceptional Income (Net)	-	27		-		-	28	
PAT	220	244		241		461	441	

EI: Exceptional items

Consolidated results include the performance of the operating Subsidiaries at Sweden, Germany and Netherlands (Drives and Automation Europe), CG Adhesives Products Ltd. (India), CG Semi Pvt. Ltd (India), G.G. Tronics India Pvt Ltd and other non-operating and holding subsidiaries.

- **Aggregate sales** for the quarter were up at Rs. 2,413 crores @ a growth of 21% YoY.
- **PBT** was at Rs. 294 crores (12.2% of sales) in Q2FY25 as against Rs 303 crores (15.1% of sales) in Q2FY24.
- **Free cash flow** generated for the quarter was Rs.223 crores.
- **ROCE (Return on capital employed - annualised)** for Q2FY25 was at 32%.
- **Order intake** for Q2FY25 was Rs. 3,302 crores (42% growth YoY) and **Unexecuted Order backlog** as at 30 Sep 2024 was Rs. 7,965 crores (48% higher YoY).

Key events in Q2:

- 1) The Company completed the acquisition of G.G. Tronics India Pvt Ltd. ("GGT") for 55% stake for an aggregate consideration of ~ Rs. 319 crs.
- 2) GGT received developmental order of ~ Rs. 4 crs towards Locomotive Train collision avoidance system (Kavach). The same is to be completed within 9-10 months.
- 3) The Company has entered into definitive agreement with Renesas for acquisition of its Radio Frequency Components (RFC) business, marking its foray into Semiconductor



Design at a consideration of about USD 36 million. The said business will be acquired by entities that will be established by the Company, post completion of customary conditions and applicable regulatory approvals.

- 4) Further to our earlier capacity expansion from 25000 MVA to 35000 MVA for Power Transformers approved on 20th October 2023, the Board of Directors today approved an additional capacity expansion of Power Transformers at an investment of ~ Rs. 27 crs (for addition of 5,000 MVA capacity) which would increase capacity to 40000 MVA. The expansion is proposed considering the expected increase in demand for Transformers and is expected to be implemented along with earlier expansion project.

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

A 124-year-old conglomerate with presence across India and the world, the INR 778 billion Murugappa Group has diverse businesses in agriculture, engineering, financial services and more.

The Group has 9 listed companies: Carborundum Universal Limited, CG Power & Industrial Solutions Limited, Cholamandalam Financial Holdings Limited, Cholamandalam Investment & Finance Company Limited, Coromandel International Limited, EID Parry (India) Limited, Shanthi Gears Limited, Tube Investments of India Limited and Wendt India Limited. Other major companies include Cholamandalam MS General Insurance Company Limited and Parry Agro Industries Limited. Brands such as Ajax, Hercules, BSA, Montra, Montra Electric, Mach City, Chola, Chola MS, CG Power and Industrial Solutions Limited, Shanthi Gears, CUMI, Gromor, Paramfos, Parry's are part of the Group's illustrious stable.

Abrasives, technical ceramics, electro minerals, electric vehicles, auto components, fans, transformers, signalling equipment for railways, bicycles, fertilisers, sugar, tea and several other products make up the Group's business interests.

Guided by the five lights — integrity, passion, quality, respect and responsibility — and a culture of professionalism, the Group has a workforce of over 83,500 employees.

For more information, see www.murugappa.com

For further information, please contact:

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