



ONIDA
OWNER'S PRIDE

Q2 & H1 FY19 INVESTOR UPDATE





Our Purpose

Our aim is to make Indians proud of the Made-In-India label by providing highly innovative products, which are better than the competition, which simplify our lives and provide an unmatched customer experience



Macro Economic Environment

- ❖ The quarters are not comparable as Diwali falls in Q3 this year. We expect to grow by more than 40% in Q3
- ❖ Dollar appreciation led to increase in input cost
- ❖ Increase in custom duty and changes in GST rate of appliances, led to frequent price changes which in turn impacted sales
- ❖ Crude increase impacted material cost, were able to pass on the cost increase and maintained margins



Panels

- ❖ Successful launch of the google certified television
- ❖ The panel assembly plant successfully commissioned and expanded, which had resulted in margin growth in the business
- ❖ Investment in the Sound platform (KY series), will pay dividends in the long run
- ❖ 84% of panels sold were with panel assembly in house
- ❖ Markets clearly shifting to high end 4K and Smart Televisions



Air Conditioners

- ❖ Offloaded inventory left in Q1 FY18
- ❖ Will increase sales substantially in Q3 over LY
- ❖ Launched 80 new models during the current year
- ❖ Have done complete line up for the next year
- ❖ At current prices and \$/INR @ 73 able to match the domestic landed price
- ❖ Currently planning to put a manufacturing plant in India for manufacturing air conditioners



Washing Machines

- ❖ Washing machine plant at Roorkee is come on full stream and is currently running at 80% of capacity utilisation
- ❖ GST rate cut had a positive impact
- ❖ Washing machine plant is completely on-stream
- ❖ Crude increase impacted material cost, were able to pass on the cost increase and hence maintained margins.

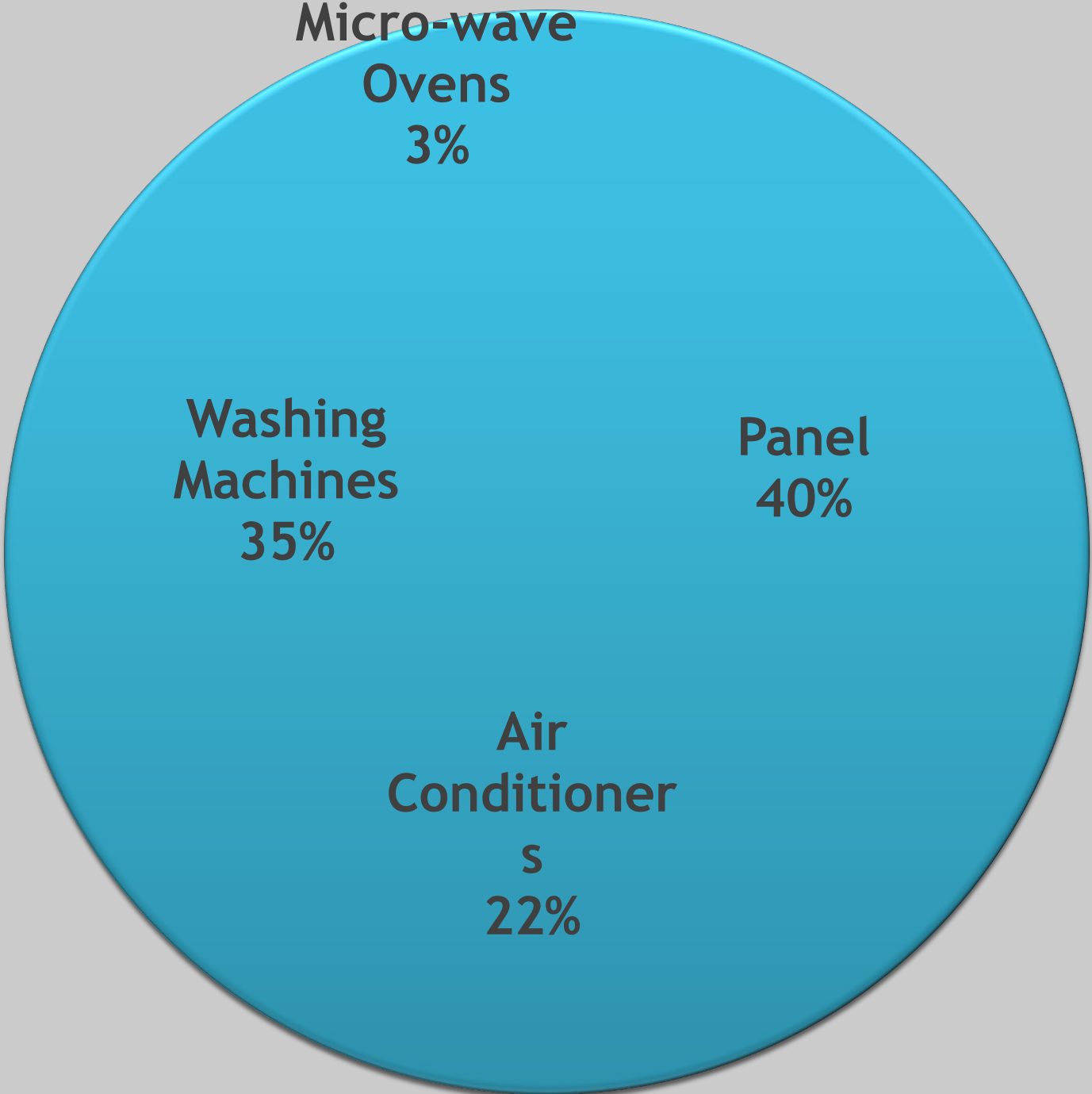


Washing Machines (contd.)

- ❖ Custom duty increase were also passed on partly
- ❖ Expect to close Q3 with a 50% growth
- ❖ We have launched 18 new models during the current year

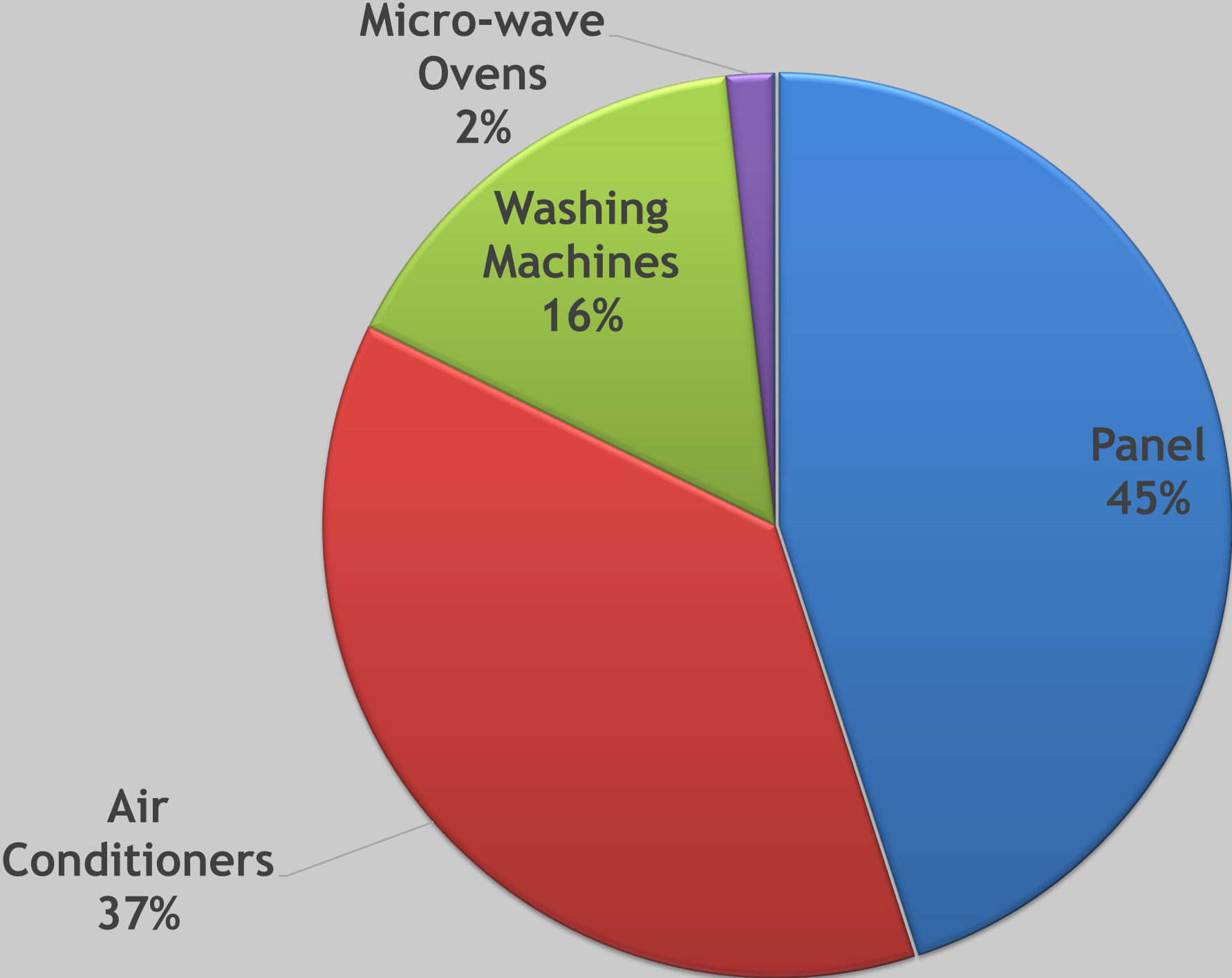
Segment wise contribution to revenues

Category by Qty H1 '18



■ Panel ■ Air Conditioners ■ Washing Machines ■ Micro-wave Ovens

Category by value H1 '18



■ Panel ■ Air Conditioners ■ Washing Machines ■ Micro-wave Ovens ■ Others

Growth Drivers

▶ INVESTING
SIGNIFICANTLY
IN BRAND
BUILDING

▶ NON-CAPTIVE
MANUFACTURING



**MAXIMUM IMPACT.
MAXIMUM SOUND.**



Onida KY Series Range starts from ₹ 29,990/-

**Investing In Brand
Building and Consumer
Insights**

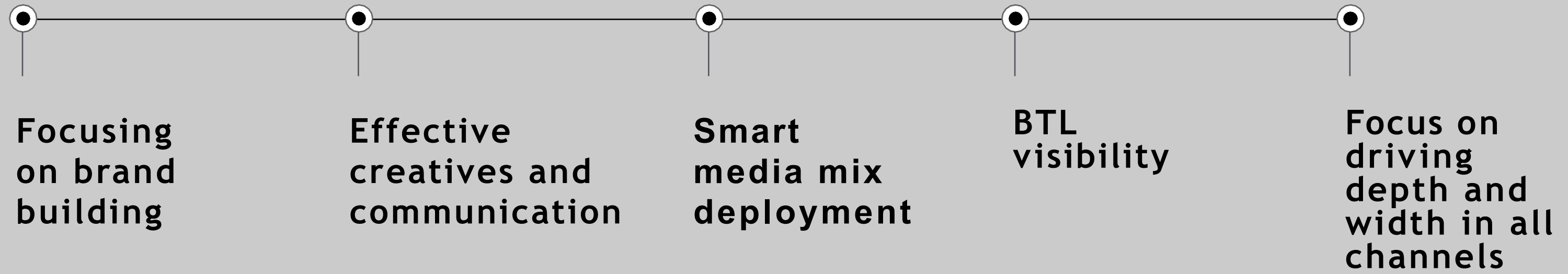
Targeting the right consumer groups

		Education of CWE					
No. of Durables Owned	Illiterate	Literate but no formal school/ School up to 4 yrs	School: 5 to 9 years	SSC/ HSC	Some College (incl Diploma) but not Grad	Grad/ PG: General	Grad/PG: Professional
	1	2	3	4	5	6	7
None	E3	E2	E2	E2	E2	E1	D2
1	E2	E1	E1	E1	D2	D2	D2
2	E1	E1	D2	D2	D1	D1	D1
3	D2	D2	D1	D1	C2	C2	C2
4	D1	C2	C2	C1	C1	B2	B2
5	C2	C1	C1	B2	B1	B1	B1
6	C1	B2	B2	B1	A3	A3	A3
7	C1	B1	B1	A3	A3	A2	A2
8	B1	A3	A3	A3	A2	A2	A2
9 +	B1	A3	A3	A2	A2	A1	A1

Target market for Onida - SEC A&B (New Consumer Classification System) by BARC (Broadcast Audience Research Council India)

**A & P
Investments**

~Doubled ad spend compared to LY at H1 level for brand building





Non-Captive Manufacturing

- ❖ Started manufacturing for Reliance and other leading brands in the country
- ❖ Expecting revenues Rs. 50 crore in FY 19 and going forward Rs.150 crore in FY 20
- ❖ With the commissioning Liquid Crystal Module (LCM) line would open up this facility to third-party manufacturing
- ❖ This would attract other leading customers who still continue to import the full panel
- ❖ This will help us grow our non-captive business

Key Financials



H1 FY19 Financial Highlights

(Rs. In Crore)			
Description	H1 FY 19	H1 FY 18	FY 18
Net Sales	327.96	408.38	728.12
Other Income	1.96	0.93	4.72
Total Income	329.92	409.31*	732.84*
COGS	233.83	290.86	521.23
Contribution	96.09	118.45	211.61
Contribution (%)	29%	29%	29%
EBIDTA	8.10	28.28	47.05
EBIDTA (%)	2%	7%	6%
PBT	(3.41)	16.54	23.49
PBT (%)	-	4%	3%
PAT	(3.41)	16.54	23.49
PAT (%)	-	4%	3%

* Net of excise duty



Investment Highlights

- ❖ Brand building to step up further across digital, online and other media
- ❖ Build on market shifting to high-end 4K and smart TVs
- ❖ Firm plan to exceed last year turnover in ACs by Q3 FY18
- ❖ Complete line up done for next year
- ❖ Focus on Washing Machine growth - to achieve 50% growth
- ❖ Able to pass input cost to primary market
- ❖ Non captive manufacturing contribution to overall revenues will increase in the coming years



Disclaimer

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**Thank
You**