



PG ELECTROPLAST LIMITED

Q3 FY18 UPDATE

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CONTENTS

Introduction

Quarterly P&L

Key Financial Metrics

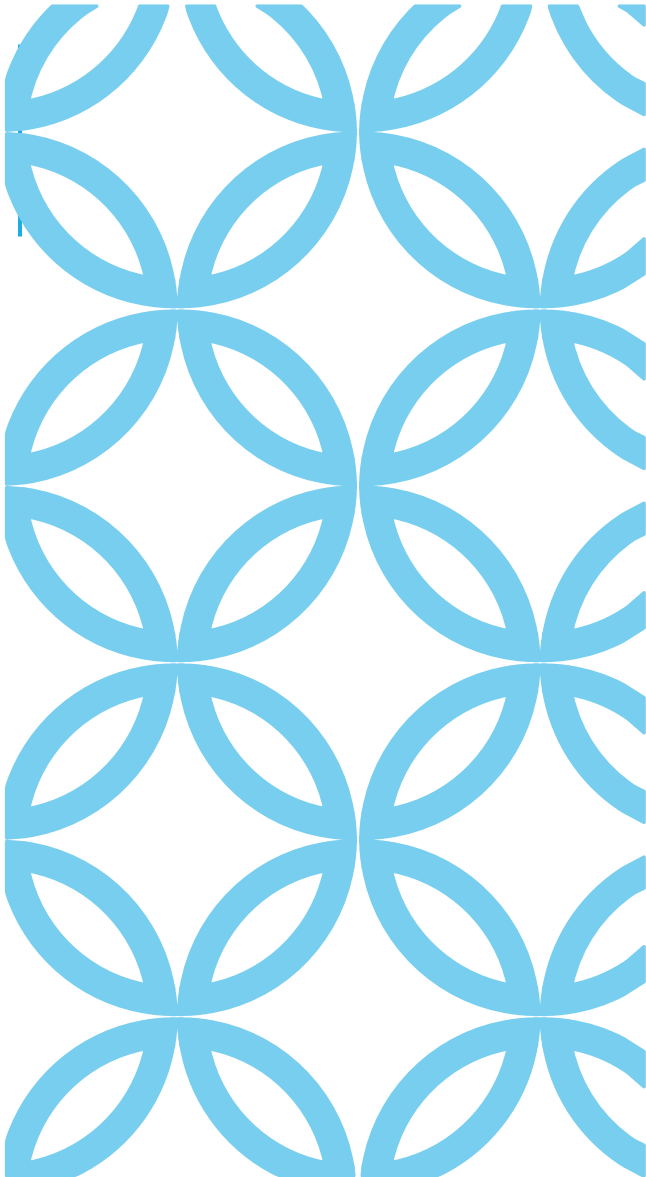
Industry outlook

Opportunities & Challenges

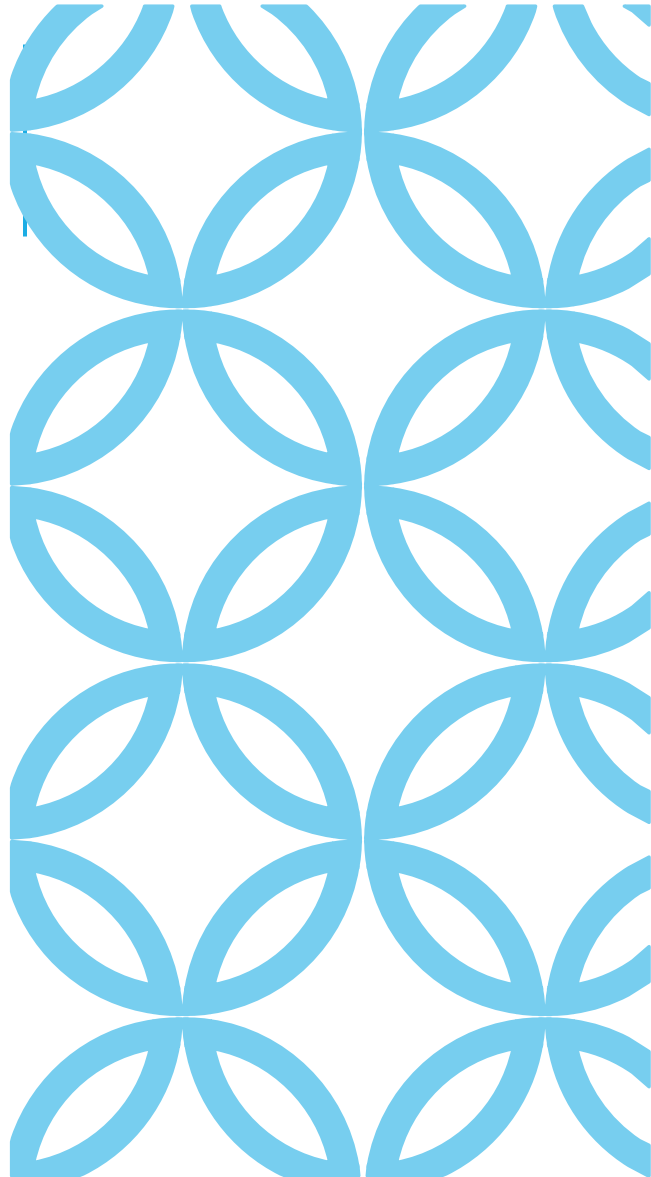
Future Outlook

Introduction

- PG Group founded in Year 1977 for Electronics components manufacturing.
- In 1995, a TV manufacturing plant was setup in Noida, In 1997, started manufacturing Color TVs & Audio Products.
- In 1999, PG Group set up a PCB Assembly Line at Noida. In 2003, Started Plastic Injection Molding Plant.
- In 2008, got first tender from Tamilnadu Govt for supplying CTV & supplied 2 million CTV in 3 years.
- In 2015, installed Blow molding up to capacity of 80Ltr.
- In 2016, Installed new Tool room as a separate profit center.
- In 2016, Installed Mobile Phone manufacturing units in Pune.
- Today, more than 130 Horizontal and Vertical type Plastic Injection Molding Machines.
- Trusted Supplier for 4-Wheeler & 2 –Wheeler Automobile Plastic Parts (Tier – 2) from Yr 2011.



Introduction – PG Group presence



**Presence in
Different Fields**

PLASTIC MOLDING FOR CONSUMER DURABLES & AUTOMOTIVE PARTS



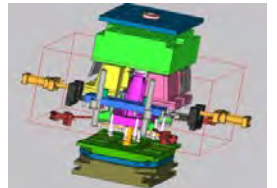
FINAL ASSEMBLY OF AIR COOLERS, WASHING MACHINE, LED TV, STBs



PRINTED CIRCUIT BOARD ASSEMBLIES

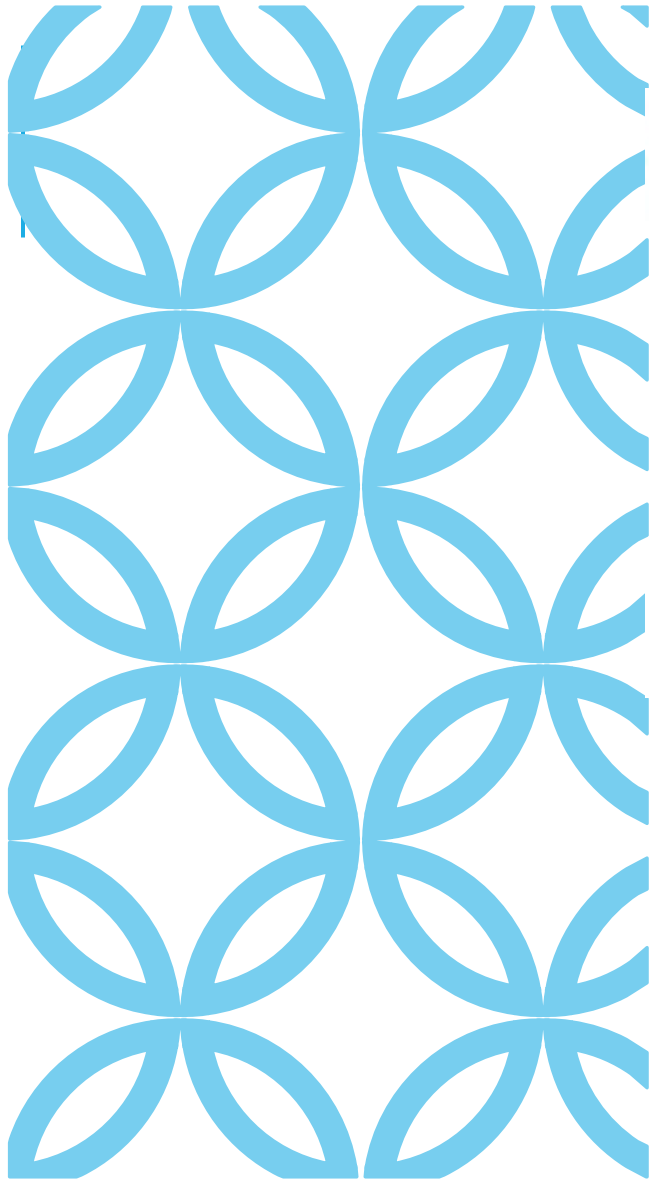


PLASTIC INJECTION TOOL DESIGNING AND MANUFACTURING



MOBILE PHONE ASSEMBLY





Introduction - Customer list



9MFY 2019 Profit & Loss Highlights

(₹ million)	Q3	Q2	Q3	Growth (%)		9M	9M	Growth (%) YoY
	FY2018	FY2019	FY2019	Q-o-Q	Y-o-Y	FY2018	FY2019	
Revenue	834.9	1162.8	1076.3	-7.4%	28.9%	2868.5	3408.1	18.8%
EBITDA	66.4	69.7	56.9	-18.3%	-14.3%	231.9	207.6	-10.5%
Net Profit	4.8	11.8	-3.4			46.6	36.0	-22.7%
Diluted EPS (Rs.)	0.3	0.7	-0.2			2.8	2.2	-22.7%

- 9M Revenue growth is 18.8% despite weakness in the festival season due to NBFC crisis
- EBITDA growth impacted due to start-up costs of new initiatives, volatile currency and raw material movement
- PAT decline of 22.7% in 9M 2019 due to margin pressure

9M FY2019 Balance Sheet

A. EQUITY AND LIABILITIES	As at 31.12.2018	As at 31.03.2018	B ASSETS	As at 31.12.2018	As at 31.03.2018
(a) Share capital	164.1	164.1	(a) Fixed assets	1,895.9	1,785.2
(b) Reserves and surplus	1,181.4	1,144.1	(b) Capital work in progress	288.9	229.4
Sub-Total - Shareholders' Funds	1,345.5	1,308.2	(c) Other Financial Assets	65.2	49.6
(a) Long-term borrowings	789.0	795.8	(d) Other non-current assets	26.1	50.2
(b) Long-term provisions	38.2	33.1	Sub-Total - Non-Current Assets	2,276.1	2,114.3
Sub-Total - Non-Current Liabilities	827.1	828.9	(a) Inventories	592.2	593.1
(a) Short-term borrowings	510.3	356.0	(b) Trade receivables	569.4	507.1
(b) Trade payables	704.7	649.5	(c) Cash and cash equivalents	31.2	41.3
(c) Other current liabilities	293.9	329.2	(d) Short-term loans and advances	193.2	182.2
(d) Short-term provisions	10.9	8.7	(e) Other current assets	30.4	42.6
Sub-Total - Current Liabilities	1,519.8	1,343.4	Sub-Total - Current Assets	1,416.4	1,366.2
TOTAL - EQUITY AND LIABILITIES	3,692.5	3,480.5	TOTAL-ASSETS	3,692.5	3,480.5

- Working capital management remains the focus area of the company
- Balance sheet size remains under control and turnover ratios are improving gradually

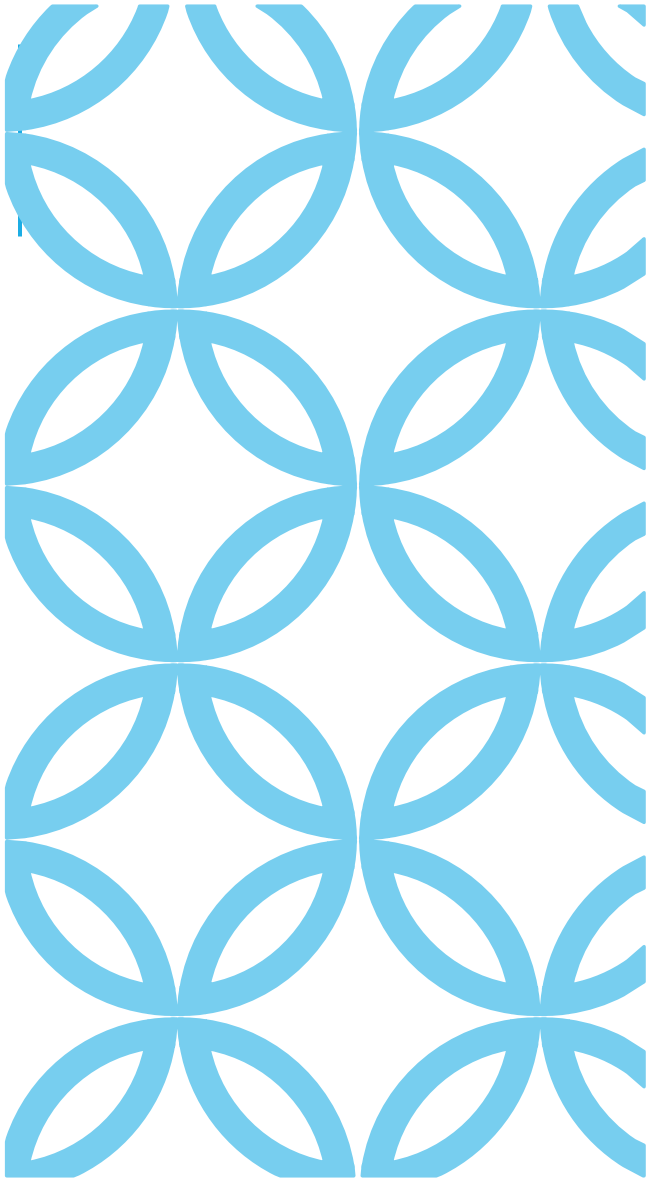
Financial Metrics

Key Ratios	Q3 FY2018	Q2 FY2019	Q3 FY2019	9M FY2018	9M FY2019	FY18
EBITDA Margin (%)	8.0%	6.0%	5.3%	8.1%	6.1%	7.4%
Effective Tax Rate (%)	2.2%	0.0%	0.0%	0.0%	16.2%	0.0%
Net Profit Margin (%)	0.6%	1.0%	-0.3%	1.6%	1.1%	1.8%
ROCE (%)	6.8%	4.5%	4.0%	6.8%	4.0%	6.9%
DSO (Days)	45	53	46	45	46	46

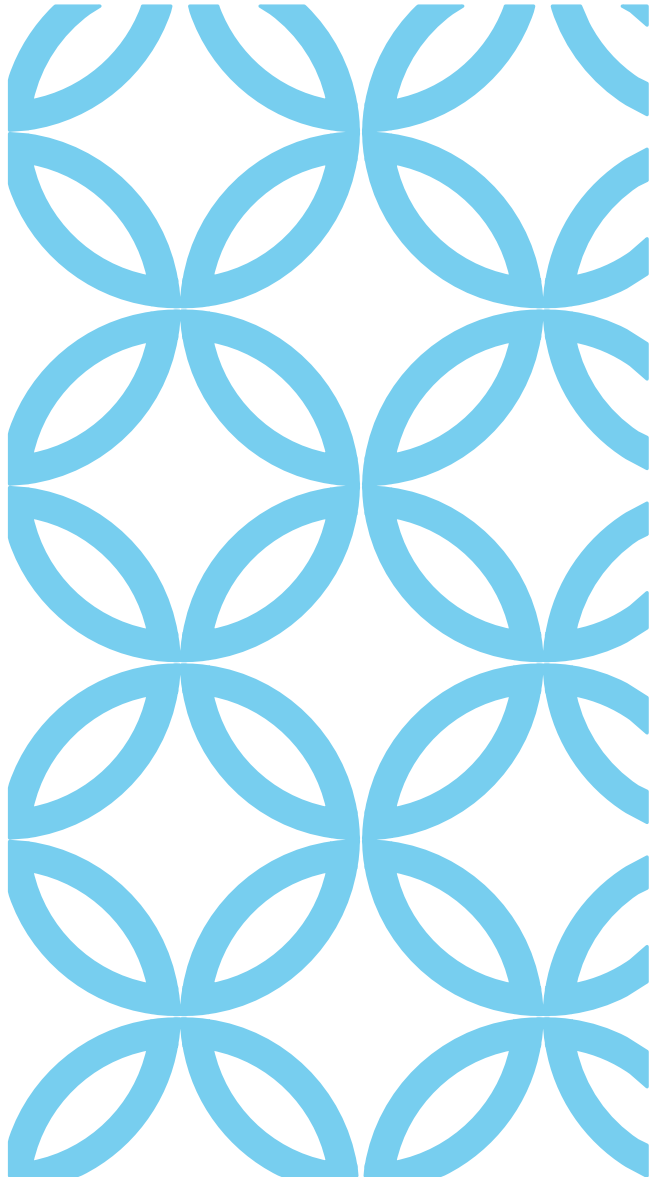
- EBITDA margins impacted due to high raw material and forex volatility in last 6 months
- Ramp up in the business with improving profitability will help the Return ratios in coming quarters

Industry Outlook

- Government reforms such as Digital India, Make in India, Jan Dhan-Aadhar-Mobile Trinity and Power for all are providing fresh impetus to the Consumer appliance and durable Industry
- The Rapid rate of urbanisation, growth of young population with rising income levels is leading to large emerging middle class in India. Implying huge potential demand for the consumer appliance and durable market in coming years.
- Low penetration levels, falling prices of durables and electronics and changing life style of the Indian consumer are expected to remain big demand drivers for the consumer durable and electronics Industry in India in near future.
- Further the Government's initiatives of promoting the electronic manufacturing and treating the industry as one of the key pillars of the Digital India Programme, opens new and exciting opportunities for the Industry
- **In Managements opinion, overall Industry opportunity remains large and substantial. The management sees high and exciting growth rates for the Industry.**



Opportunities and Challenges

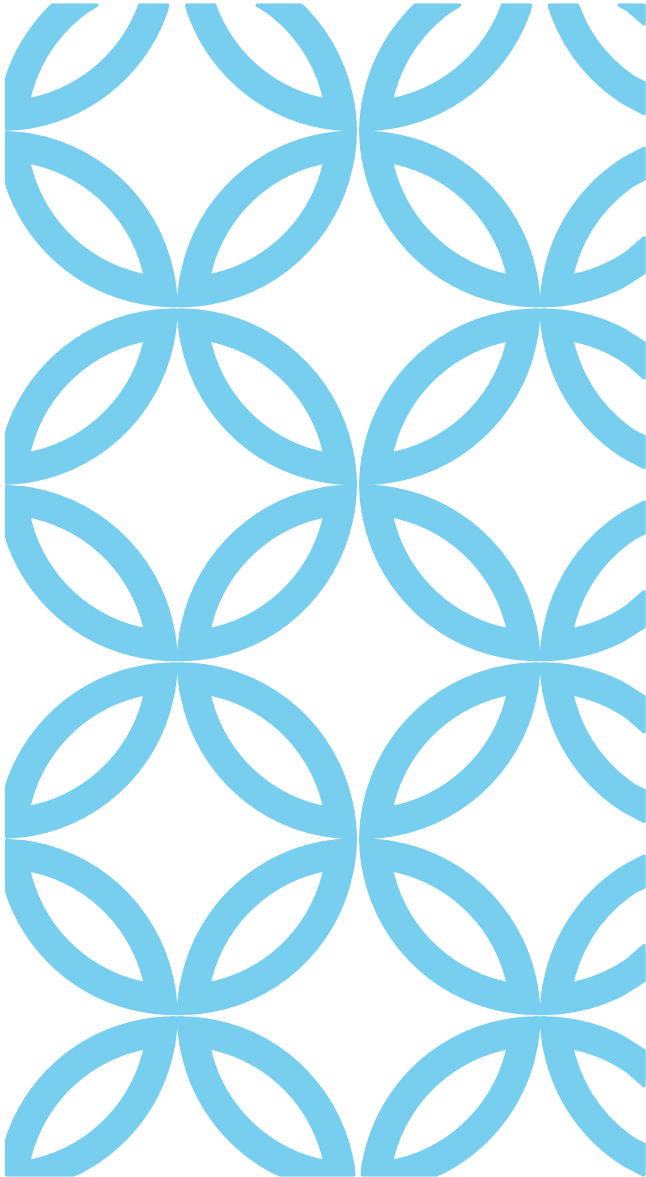


- PG Electronics has been a pioneer in the consumer durables Industry and is seeing large opportunities in plastic moulding in following product categories
 - Washing machines
 - Room Air conditioner
 - Refrigerators
 - Ceiling Fans
 - Sanitary ware products
- In addition to the above company sees opportunities in ODM space in Room Air Conditioners, Air coolers and Washing machines.
- Growing opportunities, improving operational efficiencies coupled with strengthened balance sheet for the company is leading to better profitability and cash flows and consequently company is back in Investment mode and is judiciously and strategically investing in capacities and capabilities to reap the benefits of huge opportunity in coming years.

Future Outlook

Management sees increased opportunities in the existing and new clients and based on the current business environment. With new capacities and capabilities, company is uniquely positioned in the consumer durable & automotive plastics space in India. In coming quarters , company aspires

- To have Industry leading growth in the Revenues
- Gradual improvement in margins due to operational efficiencies and operating leverage
- Better capital efficiency due to improving cash flows and balance sheet optimisation



THANK YOU

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