



# PG ELECTROPLAST LIMITED

Q3 FY20 UPDATE

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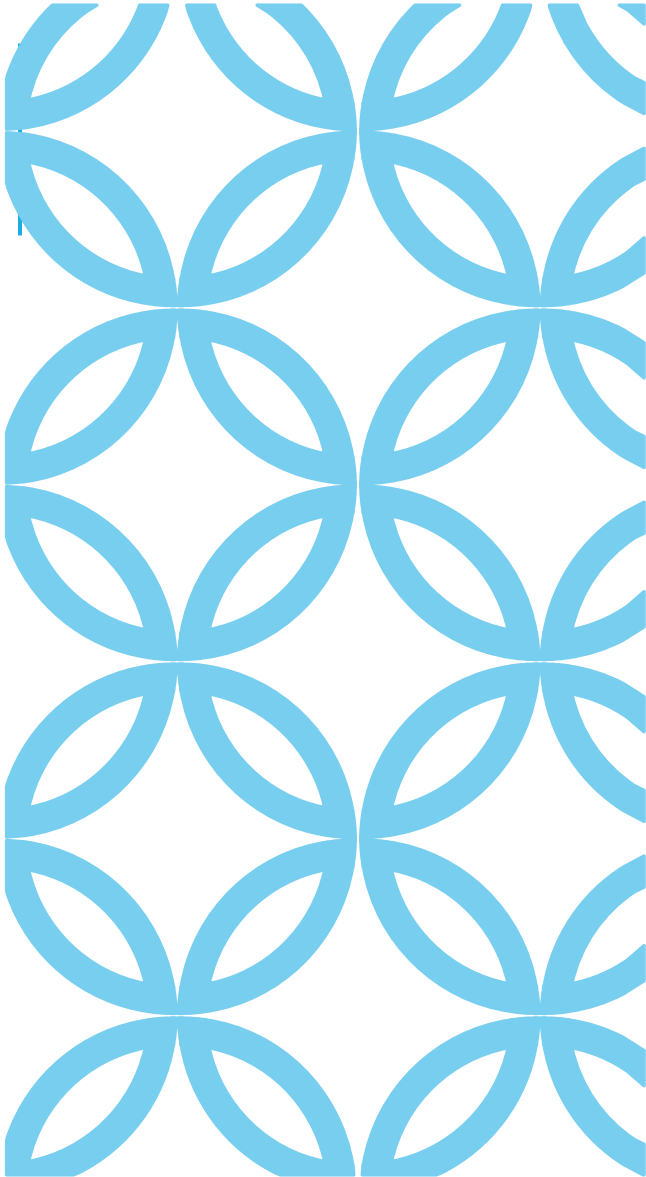
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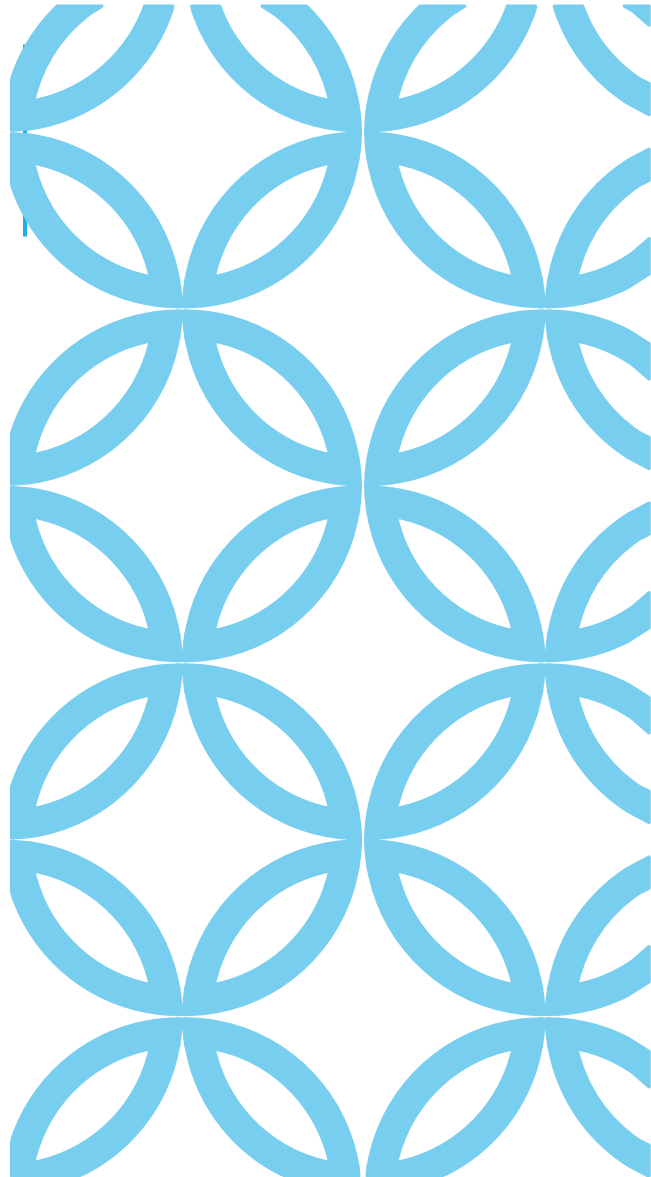
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## Introduction

- 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



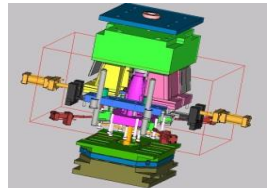
FINAL ASSEMBLY OF AIR COOLERS, WASHING MACHINE, LED TV, STBs



PRINTED CIRCUIT BOARD ASSEMBLIES

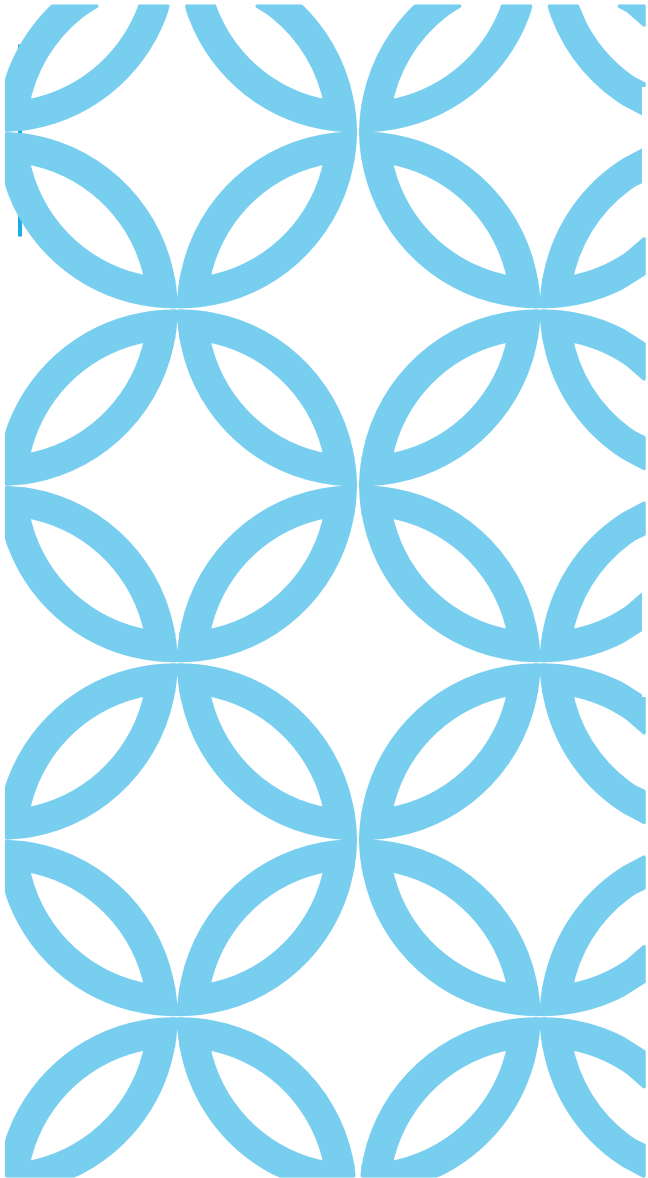


PLASTIC INJECTION TOOL DESIGNING AND MANUFACTURING



MOBILE PHONE ASSEMBLY





# Introduction - Customer list



## 9MFY 2020 Profit & Loss Highlights

(₹ million)	Q3	Q2	Q3	Growth (%)		9M	9M	Growth (%) YoY
	FY2019	FY2020	FY2020	Q-o-Q	Y-o-Y	FY2019	FY2020	
Revenue	1076.3	1447.5	1405.6	-2.9%	30.6%	3408.1	4584.5	34.5%
EBITDA	56.9	87.7	76.6	-12.7%	34.6%	207.6	277.0	33.4%
Net Profit	-3.4	7.5	6.1	-18.0%		36.0	55.3	53.6%
Diluted EPS (Rs.)	-0.2	0.4	0.3	-18.0%		2.2	3.0	35.2%

- 9M Revenue growth is 34.5% due to ramp-up in the new business
- Strong EBITDA growth of 33.4% despite impact due to start-up costs of new initiatives, volatile currency and raw material movement
- PAT growth of 53.6% in 9M 2020 due to scale benefits

## 9M FY2020 Balance Sheet

<b>A. EQUITY AND LIABILITIES</b>	<b>As at 31.12.2019</b>	<b>As at 31.03.2019</b>	<b>B ASSETS</b>	<b>As at 31.12.2019</b>	<b>As at 31.03.2019</b>
(a) Share capital	186.5	186.5	(a) Fixed assets	2477.9	1926.6
(b) Reserves and surplus	1,556.7	1,503.7	(b) Capital work in progress	19.4	335.4
<b>Sub-Total - Shareholders' Funds</b>	<b>1,743.2</b>	<b>1,690.2</b>	(c) Other Financial Assets	20.9	23.43
(a) Long-term borrowings	598.1	502.9	(d) Other non-current assets	92.0	67.38
(b) Long-term provisions	53.3	38.2	<b>Sub-Total - Non-Current Assets</b>	<b>2,610.1</b>	<b>2,352.8</b>
<b>Sub-Total - Non-Current Liabilities</b>	<b>651.4</b>	<b>541.2</b>	(a) Inventories	742.9	682.5
(a) Short-term borrowings	873.4	681.3	(b) Trade receivables	755.1	847.1
(b) Trade payables	857.1	915.0	(c) Cash and cash equivalents	62.0	63.7
(c) Other current liabilities	397.5	286.4	(d) Short-term loans and advances	107.0	21.5
(d) Short-term provisions	5.6	14.9	(e) Other current assets	251.1	161.4
<b>Sub-Total - Current Liabilities</b>	<b>2,133.7</b>	<b>1,897.6</b>	<b>Sub-Total - Current Assets</b>	<b>1,918.2</b>	<b>1,776.2</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>4,528.3</b>	<b>4,129.0</b>	<b>TOTAL-ASSETS</b>	<b>4,528.3</b>	<b>4,129.0</b>

- Strict control on Working capital management continues
- Balance sheet size remains under control and turnover ratios are showing visible signs of improvement



## Financial Metrics

Key Ratios	Q3 FY2019	Q2 FY2020	Q3 FY2020	9M FY2019	9M FY2020	FY19
EBITDA Margin (%)	5.3%	6.1%	5.5%	6.1%	6.0%	6.7%
Net Profit Margin(%)	-0.3%	0.5%	0.4%	1.1%	1.2%	2.0%
DSO (Days)	45.7	47.8	43.9	45.7	43.9	60.8
INVENTORY (DAYS)	60.5	46.1	54.6	60.5	54.6	62.4
ROCE(%)	7.1%	10.8%	11.1%	7.1%	11.1%	9.4%

- EBITDA margins impacted due to fire incident and start up costs in the new business in 9MFY2020
- Ramp up in the new business will aid the profitability and Return ratios in coming quarters

## Business breakup

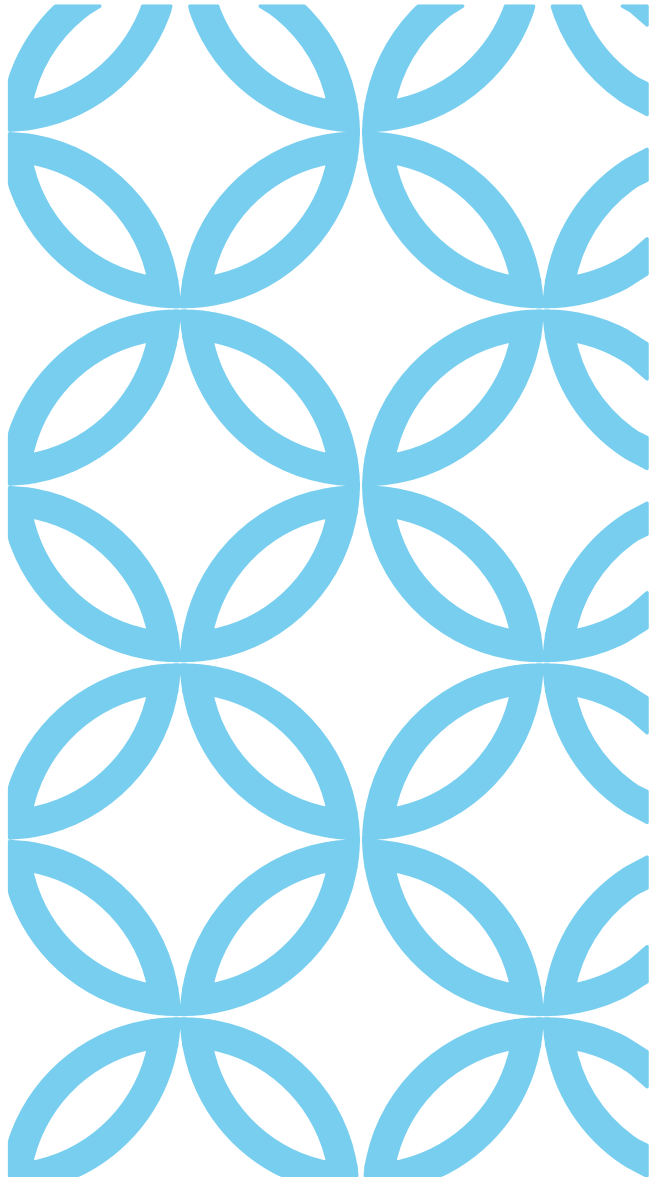
Key Ratios	Q1 FY2020	Q2 FY2020	Q3 FY2020	9M FY2020
Plastic Molding (%)	75%	74%	63%	71%
Electronics(%)	5%	10%	7%	8%
Products & ODM	19%	15%	28%	20%
Others	1%	1%	2%	1%

- Company has successfully commissioned the AC IDU facility at its Pune Plant and trial runs are completed, Commercial production has started in January 2020
- Washing machine business in the ODM model has done well in the last season and company is working towards expanding its offering in this category

## 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

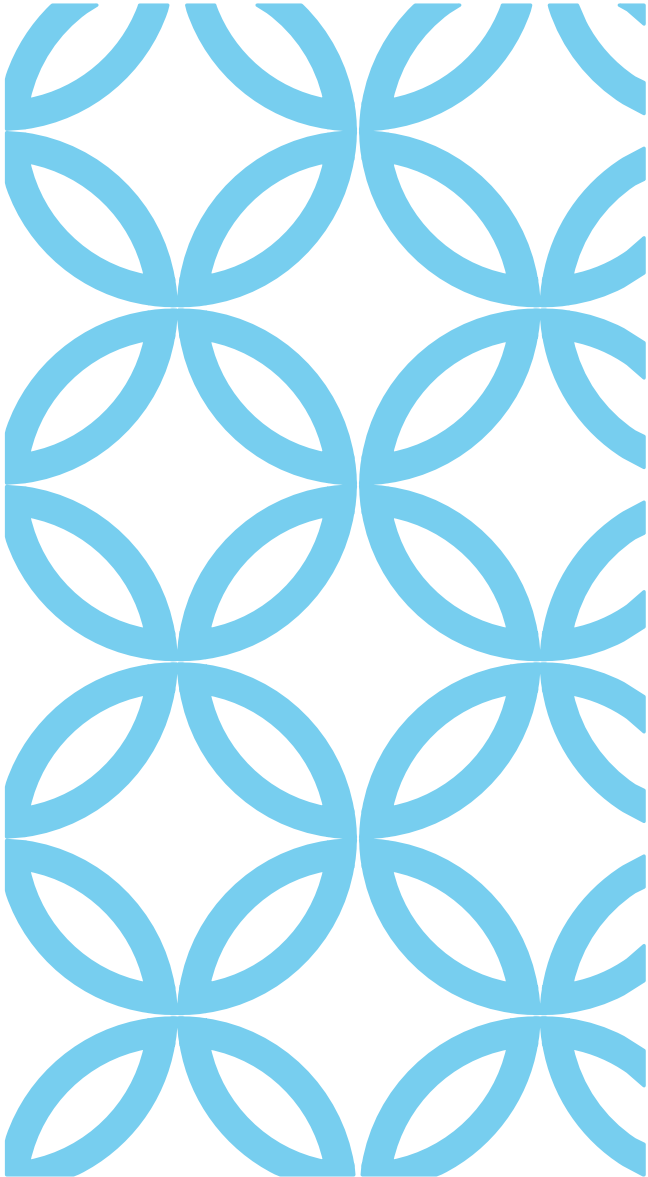


- PG Electronics has been a pioneer in the consumer durables Industry and is seeing large opportunities in plastic moulding in following product categories
  - Washing machines
  - Room Air conditioner
  - Refrigerators
  - Ceiling Fans
  - Sanitary ware products
- In addition to the above company sees 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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