

PG Electroplast

Company Update

3Q FY2021, January 2021



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Introduction



Quarterly Financials



Quarterly - Key Metrics



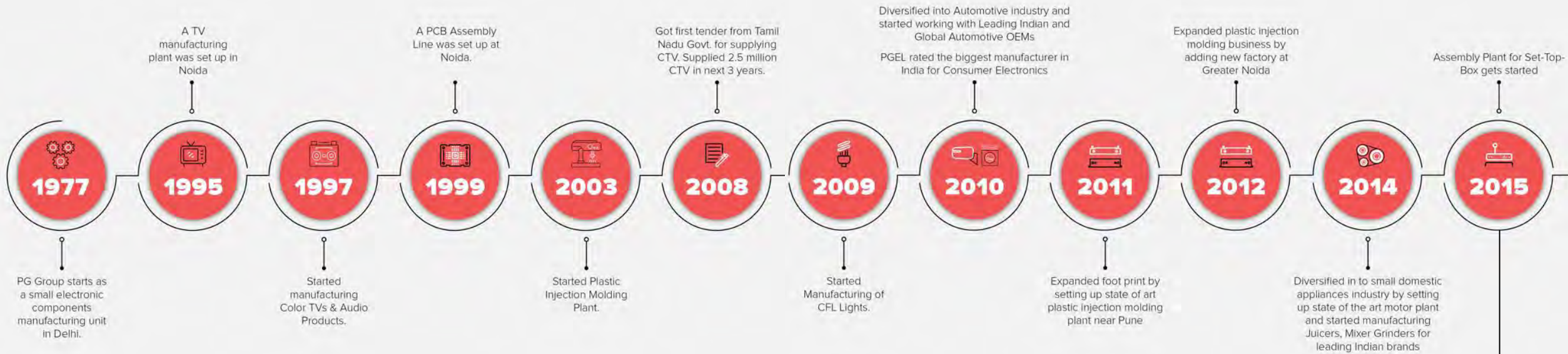
Strategy & Outlook



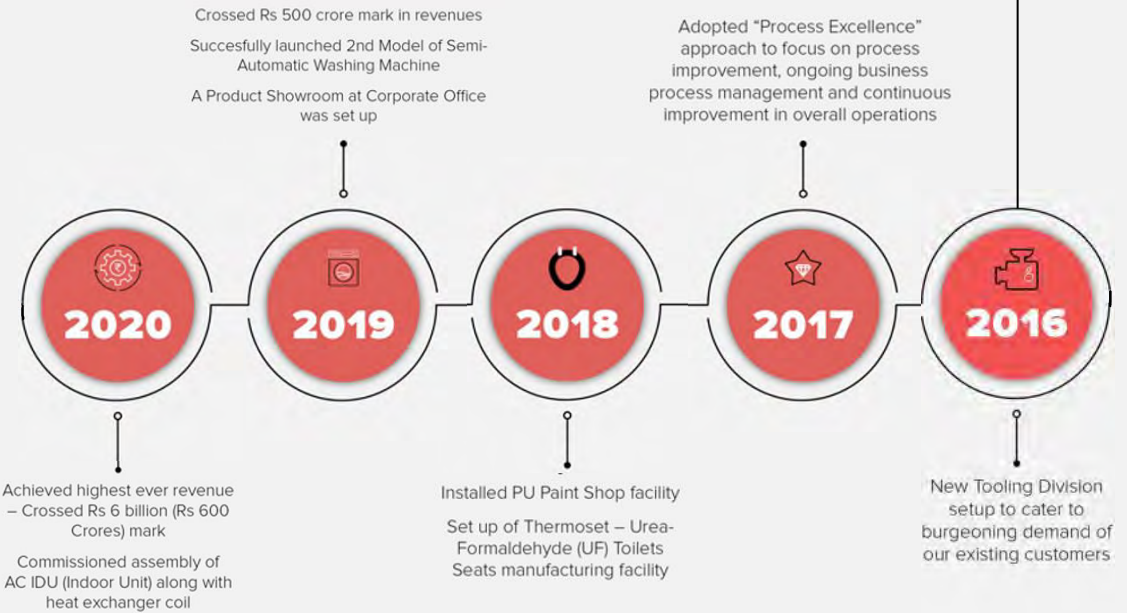
Historical Financials

About PG Electroplast Limited

- **PG Electroplast Limited (PGEL)** is the flagship company of PG Group. While the PG Group had **started its journey in 1977**, PG Electroplast was formally set up in 2003 and is a leading, diversified Indian **Electronic Manufacturing Services** provider.
 - PGEL specializes in **Original Design Manufacturing (ODM)**, **Original Equipment Manufacturing (OEM)** and **Plastic Injection Molding**, catering to **30+ leading Indian and Global brands**.
- PGEL has built **five manufacturing units** across **Greater Noida** in Uttar Pradesh, **Roorkee** in Uttarakhand and **Ahmednagar** in Maharashtra and has **2000+ employees**.
 - The Company is **pursuing an organic growth strategy** by ramping up its existing capacity and capabilities in each of its product verticals to achieve **higher value addition**, **better economies of scale** on the back of a push towards exhaustive **backward integration**.



Our Journey



Industries Served



**Air
Conditioners**



**Washing
Machines**



**LED
Televisions**



**Air
Coolers**



**Automotive
Components**



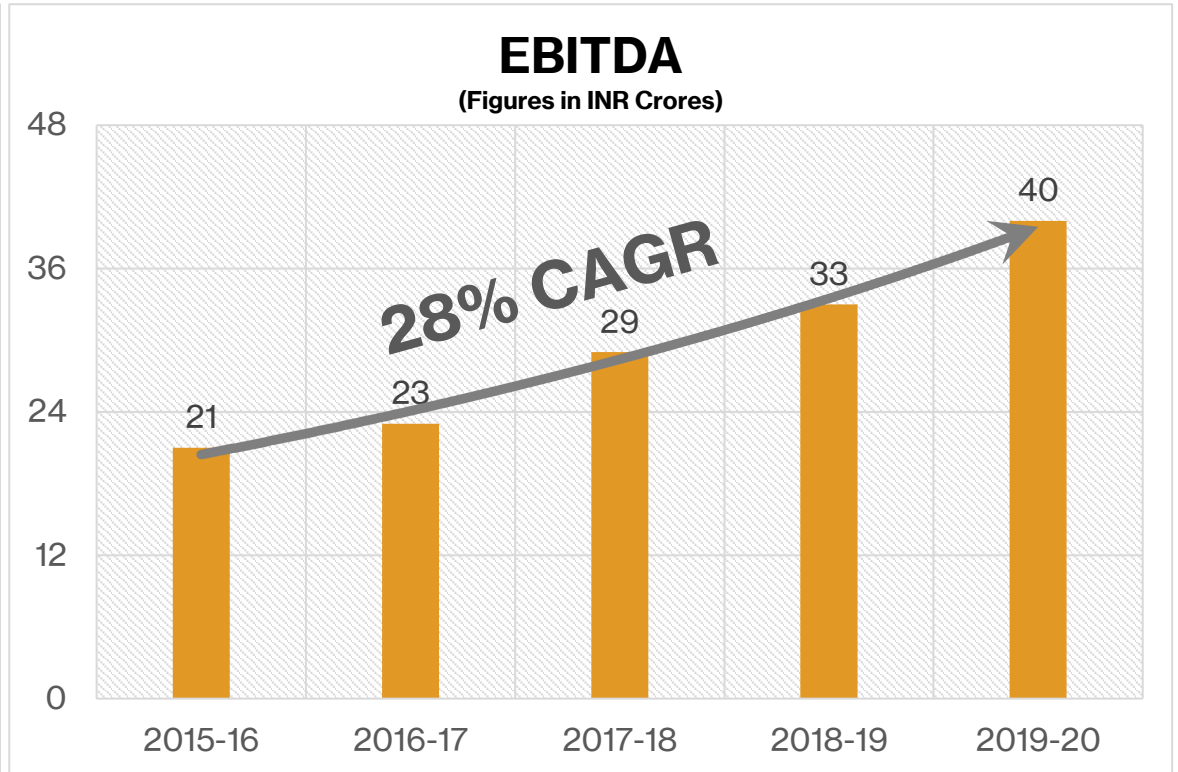
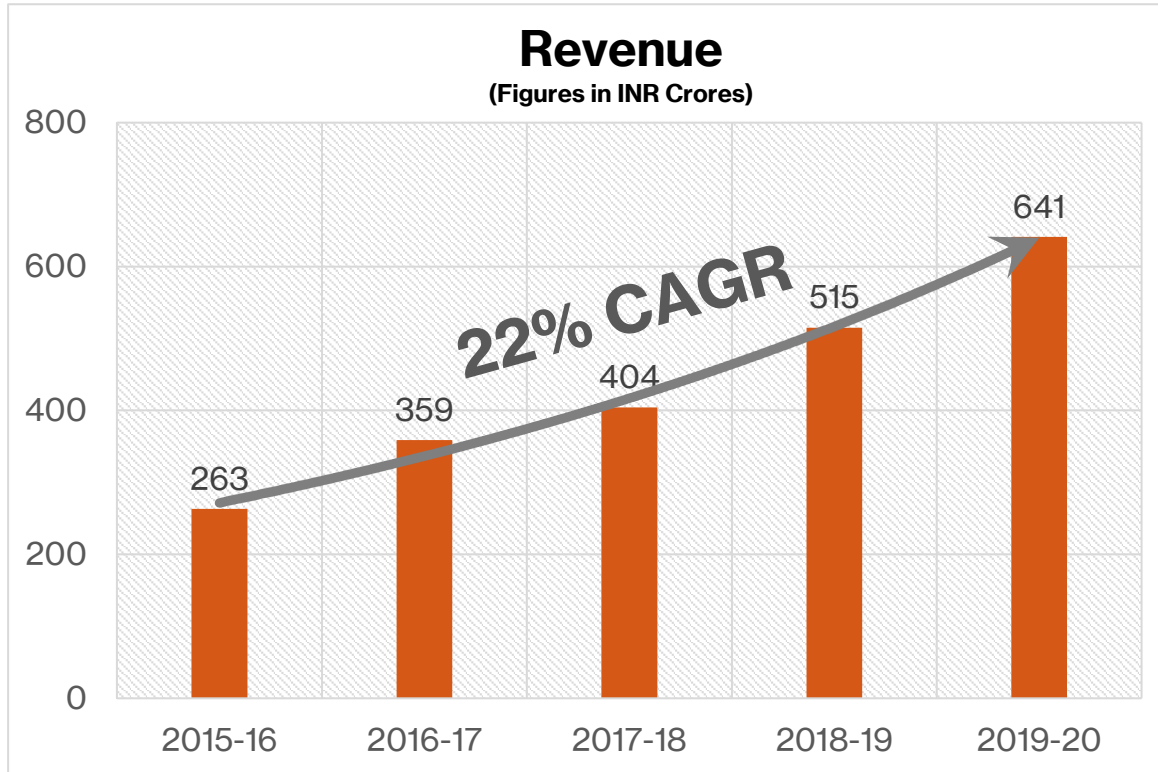
**Bathroom
Fittings**



**Consumer
Electronics**

Key Financials

- The Company has **grown ~2.5 times in five years** from a revenue of **INR 263 crores** in **2015-16**, to **INR 641 crores** in **2019-2020** at a **22% CAGR** with the **EBITDA** increasing at a **28% CAGR**.
- Over the **past five years**, the company has done a cumulative **Capital Expenditure** of over **INR 185 Crores**. This has ensured that PG has **built up capabilities** for **future growth**.



Key Clients



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3QFY2021 Profit & Loss Highlights

- Highest ever quarterly SALES, EBITDA and NET PROFIT
- Robust top line growth leads to operating leverage gains
- Business outlook remains robust across categories

(Figures in ₹ million)	FY2020 Q3	FY2021 Q3	Growth (%) YoY	FY2020 9M	FY2021 9M	Growth (%) YoY
Revenue	1405.6	1845.6	31.3%	4584.5	3753.0	-18.1%
EBITDA	76.6	159.4	108.0%	277.0	271.1	-2.1%
Net Profit	6.1	65.0	963.6%	55.3	11.8	-78.7%
Diluted EPS (in Rs.)	0.31	3.33		2.83	0.60	

9M 2021 Balance sheet

A. EQUITY AND LIABILITIES	As on 30.12.2020	As on 31.03.2020	B. ASSETS	As on 30.12.2020	As on 31.03.2020
(a) Share capital	195.3	195.3	(a) Fixed assets	2470.1	2532.1
(b) Reserves and surplus	1,584.7	1,567.0	(b) Capital Work in Progress	232.4	60.6
Sub-Total - Shareholders' Funds	1,780.0	1,762.3	(c) Other Financial Assets	32.9	24.1
(a) Long-term borrowings	664.2	693.6	(d) Other non-current assets	84.6	77.8
(b) Long-term provisions	78.5	84.2	Sub-Total - Non-Current Assets	2820.1	2694.6
Sub-Total - Non-Current Liabilities	742.7	777.8	(a) Inventories	1250.2	845.8
(a) Short-term borrowings	942.5	1,039.1	(b) Trade receivables	880.2	1011.9
(b) Trade payables	1,479.4	1,063.1	(c) Cash and cash equivalents	157.3	179.6
(c) Other current liabilities	562.4	352.9	(d) Short-term loans and advances	93.8	86.8
(d) Short-term provisions	5.8	6.1	(e) Other current assets	311.2	182.6
Sub-Total - Current Liabilities	2,990.0	2,461.2	Sub-Total - Current Assets	2,692.7	2,306.7
TOTAL - EQUITY AND LIABILITIES	5,512.7	5,001.3	TOTAL-ASSETS	5,512.7	5,001.3

- The working capital will normalises fully in coming quarters as the one-off business of GAS charging for Room AC gets over.
- The working capital optimisation remains the focus area of the company and overall Asset turns will improve going forward.

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Financial Metrics

- EBITDA margins improved due to better sales mix and operating leverage.
- Inventory is high due to one off business of gas charging of outdoor unit (ODU) of AC.
- Revenue growth outlook is improving, while margin outlook is stable.

Key Ratios	FY2020 Q3	FY2021 Q3	2020 9M	2021 9M	FY20
EBITDA Margin (%)	5.5%	8.6%	6.0%	7.2%	6.6%
Net Profit Margin (%)	0.4%	3.5%	1.2%	0.3%	0.4%
DSO (Days)	43.9	57.8	43.9	57.8	57.8
Inventory (Days)	54.6	106.3	54.6	106.3	61.3
ROCE (%)	11.1%	8.8%	11.1%	8.8%	10.0%

Business Breakup

- Washing Machine Business has seen **robust growth in 9M 2021** and company is about to **launch the Fully Automatic platform**.
- **Room AC** and **Cooler** business is seeing a **steady demand growth**.
- **Products business** remains the **focus area** and **growth driver** for the company.

Segment	2020 Q3	2021 Q3	2020 9M	2021 9M	FY20
Plastic Moulding	63%	62%	71%	65%	69%
Electronics	7%	7%	8%	8%	7%
Mould Manufacturing	2%	0%	1%	0%	1%
Product sale	28%	31%	20%	26%	23%
Total	100%	100%	100%	100%	100%

Major Highlights of 9M FY2021

- Due to COVID-19 mandated shutdowns, plants were totally closed for months of Apr-May'20. The production was only partially restored in June'20. **Production loss** of AC-IDU (Indoor Unit) resulted in **increased raw material inventory** in 1H. This is **getting liquidated now**.
- Company is seeing **increased enquires for business** from **new and existing clients** and we remain **very optimistic** on the **future growth prospects** of the business.
- The outlook for all business segments has **improved significantly** and the company is seeing a **highly promising order flow** from clients across segments.
- Management has **revived the capex plans** and **significant capacity additions** are being planned in coming years in the focus area of business.
- **New product development** across focus areas is underway and company is planning to **launch new products** soon.

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Industry Outlook

Government reforms such as Digital India, Make in India, Power for all and Jan Dhan-Aadhar-Mobile Trinity are providing fresh impetus to the Consumer appliance and durable Industry

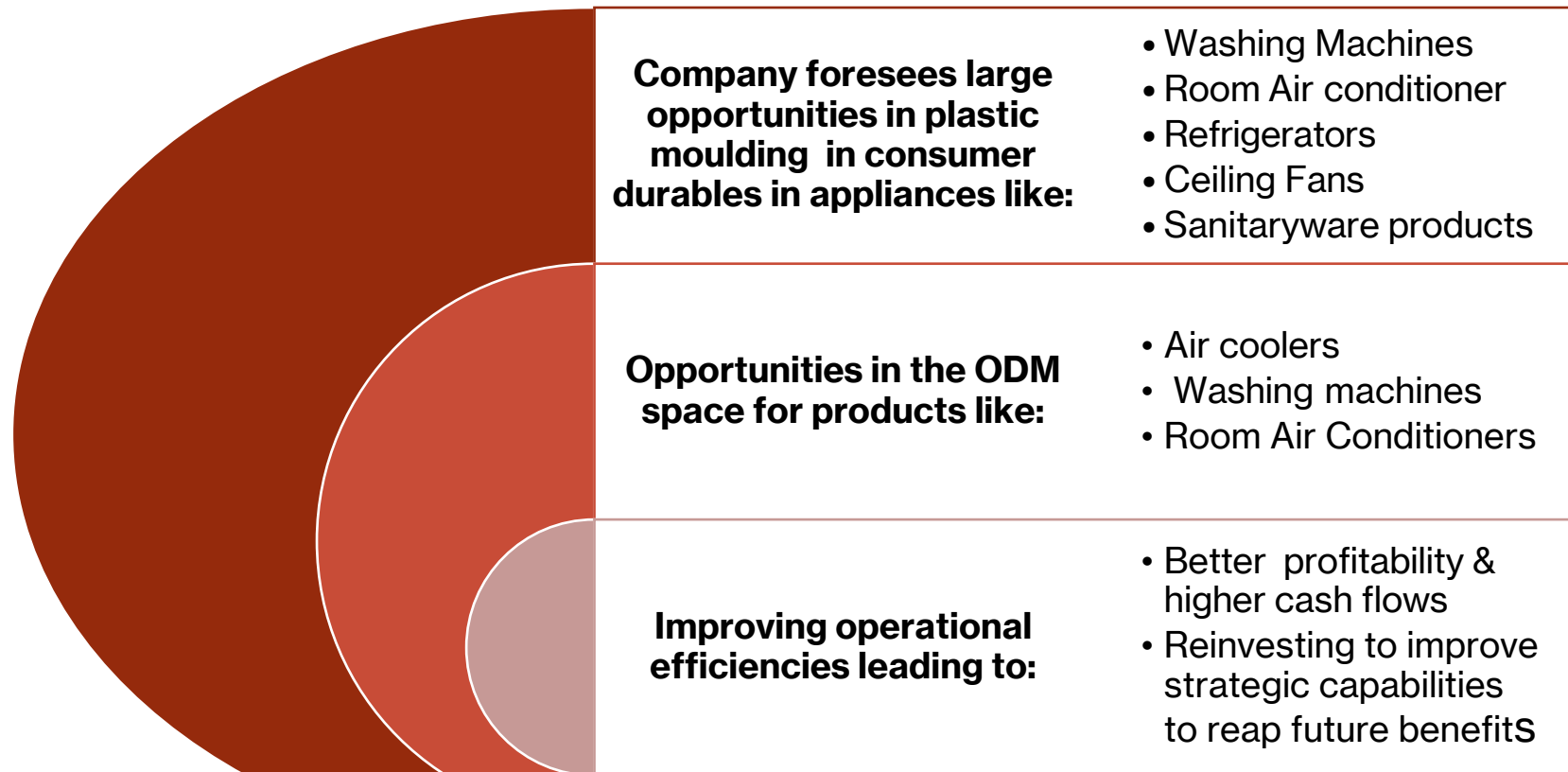
The Rapid rate of urbanization, growth of young population with rising income levels is leading to large emerging middle class in India. Implying huge potential demand for the consumer appliance and durable market in coming years.

Low penetration levels, falling prices of durables and electronics and changing lifestyle 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 electronic manufacturing and treating the industry as one of the key pillars of the Digital India Program, opens new and exciting opportunities for the Industry

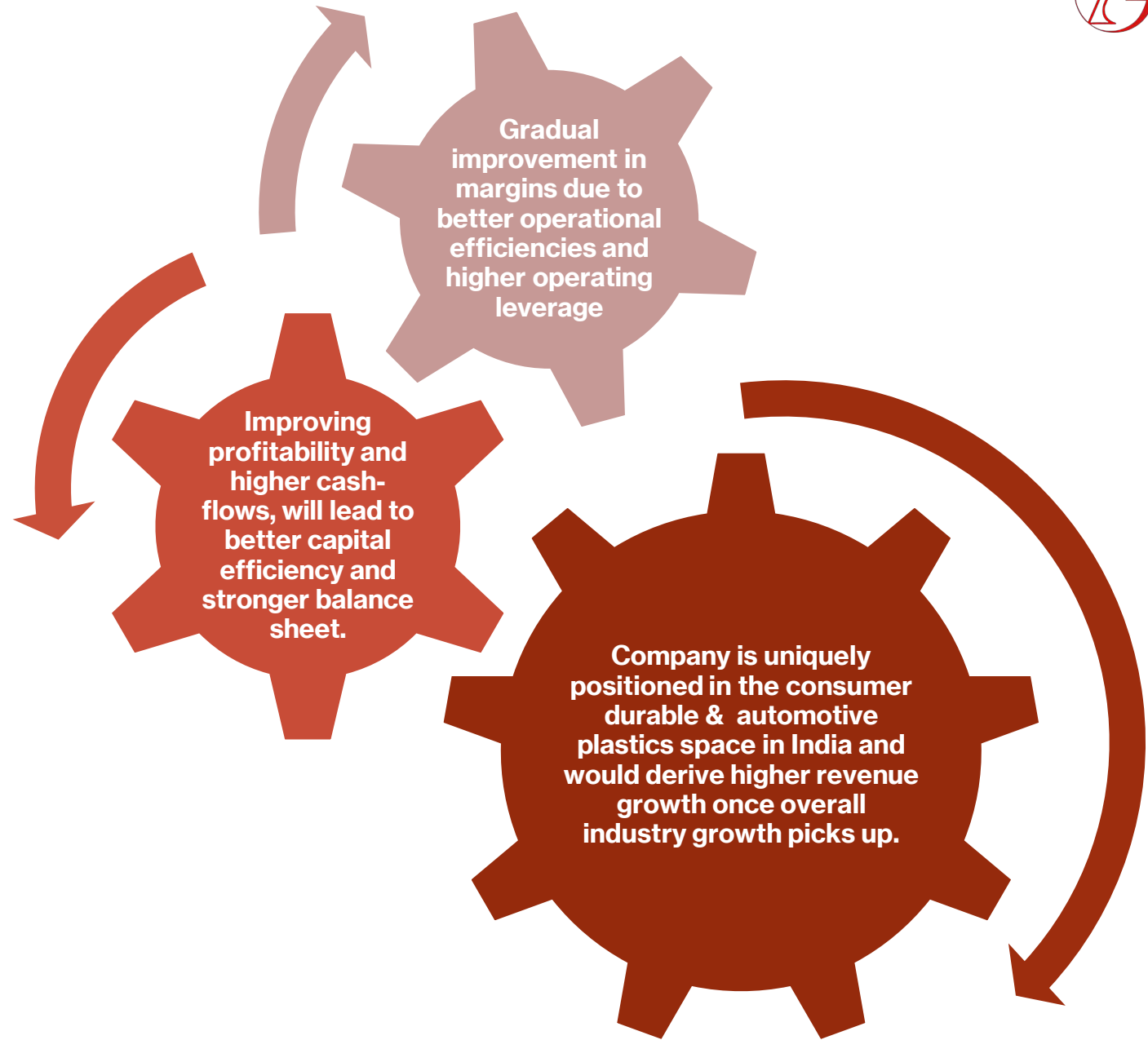
The Management is enthused about the overall opportunity size and anticipates high growth rates in the industry segments where, company has presence.

Future Growth Strategy



Future Outlook

- **Product business** to **drive growth** for the company
- Company is developing **new offerings** in **focus segments** and will be launching the same in coming quarters
- Company's management see **exciting times ahead** for all its business segments.



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Profit & Loss Statement

Figures in INR Millions	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20
Net Sales	2,603	3,664	3,994	5,084	6,394
Growth (%)	9.0%	40.8%	9.0%	27.3%	25.8%
Expenditure	2,422	3,456	3,749	4,777	5,993
Increase/Decrease in Stock	(48)	19	-109	-41	(70)
Raw Material Consumed	1961	2792	3200	4032	5108
Power & Fuel Cost	97	115	117	144	166
Selling and Distribution Expenses	35	51	55	62	68
Manufacturing Expenses	127	85	71	79	85
Personnel Costs	262	329	349	401	539
Administrative Expenses	29	41	42	44	54
Miscellaneous Expenses	18	26	25	56	43
Operating Profit	180	207	246	307	401
OPM (%)	6.9%	5.7%	6.1%	6.0%	6.3%
Growth (%)	54.9%	14.7%	18.6%	24.9%	30.2%
(+) Other income	32	31	53	32	23
EBDIT	213	238	299	339	424
(-) Depreciation	97	106	117	134	163
EBIT	116	133	181	205	261
(-) Interest & Finance charges	97	99	106	103	148
(-) Exceptional Expenses	0	0	0	0	(20)
PBT	97	99	106	103	127
PAT	19	34	75	100	26

Balance Sheet

A. EQUITY AND LIABILITIES	March 16	March 17	March 18	March 19	March 20
(a) Share capital	164	164	164	187	195
(b) Reserves and surplus	1,032	1,068	1,144	1,504	1,567
Sub-Total - Shareholders' Funds	1,196	1,232	1,308	1,690	1,762
(a) Long-term borrowings	422	484	796	501	694
(b) Long-term provisions	19	21	33	40	84
Sub-Total - Non-Current Liabilities	441	506	829	541	778
(a) Short-term borrowings	334	477	356	681	1,039
(b) Trade payables	624	745	650	915	1,063
(c) Other current liabilities	144	226	248	224	289
(d) Short-term provisions	106	115	90	77	69
Sub-Total - Current Liabilities	1,207	1,562	1,343	1,898	2,461
TOTAL - EQUITY AND LIABILITIES	2,845	3,299	3,481	4,129	5,001

B. ASSETS	March 16	March 17	March 18	March 19	March 20
(a) Fixed assets	1456	1620	1785	1921	2532
(b) Capital Work in Progress	19	35	237	341	61
(c) Other Financial Assets	80	15	23	23	24
(d) Other non-current assets	67	56	70	67	78
Sub-Total - Non-Current Assets	1622	1726	2114	2353	2695
(a) Inventories	459	631	593	683	846
(b) Trade receivables	541	675	507	847	1012
(c) Cash and cash equivalents	6	42	41	64	180
(d) Short-term loans and advances	170	176	180	161	213
(e) Other current assets	48	47	43	20	55
Sub-Total - Current Assets	1222	1574	1366	1776	2307
TOTAL-ASSETS	2845	3299	3481	4129	5001

**Thank You for Your Time
and Consideration!**