



# PG ELECTROPLAST LIMITED

Q1 FY20 UPDATE

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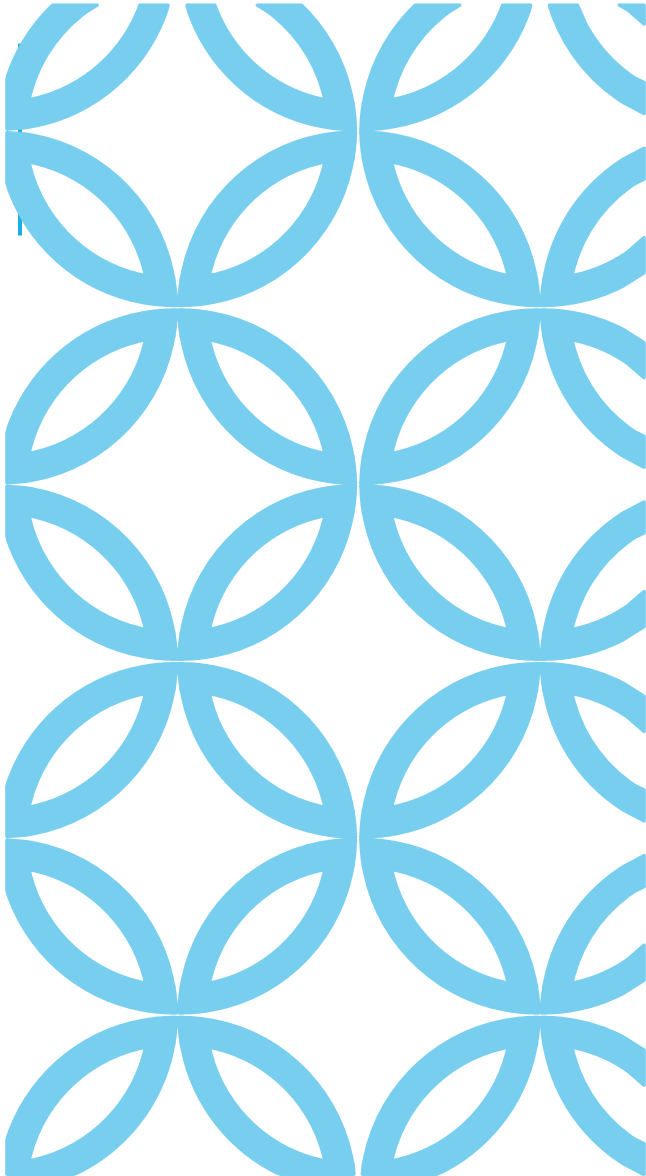
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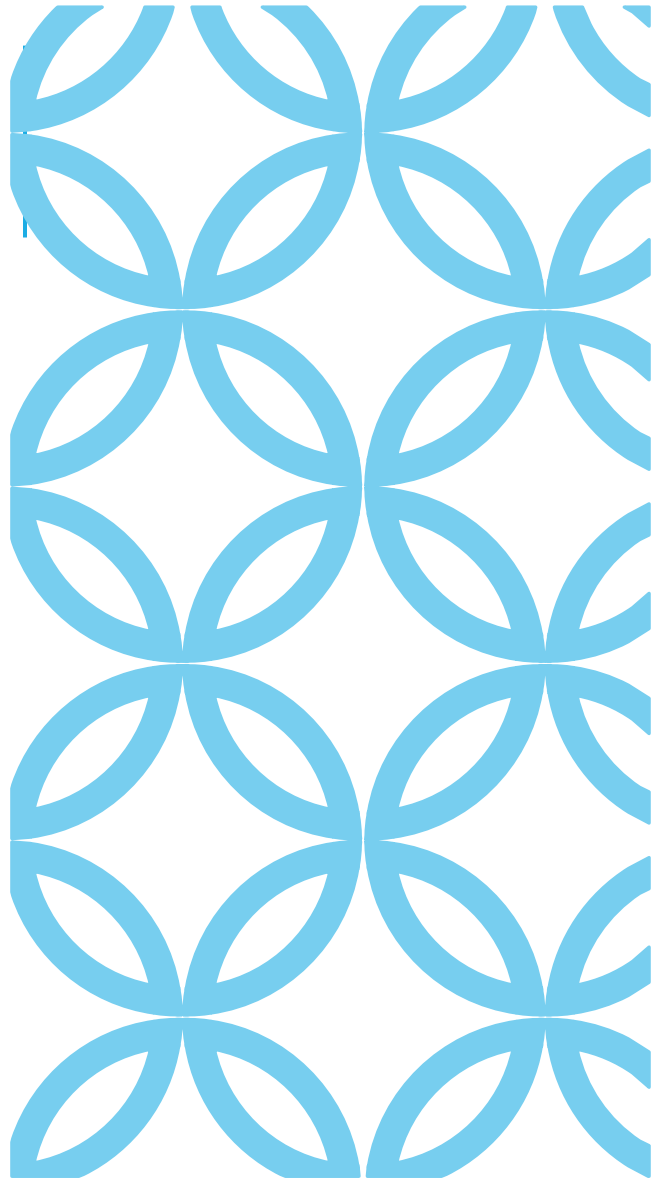
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## Introduction

- 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 year 2011.



# Introduction – PG Group presence



## Presence in Different Fields

PLASTIC MOLDING FOR CONSUMER DURABLES & AUTOMOTIVE PARTS



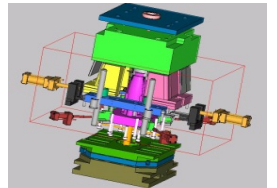
FINAL ASSEMBLY OF AIR COOLERS, WASHING MACHINE, LED TV, STBs



PRINTED CIRCUIT BOARD ASSEMBLIES

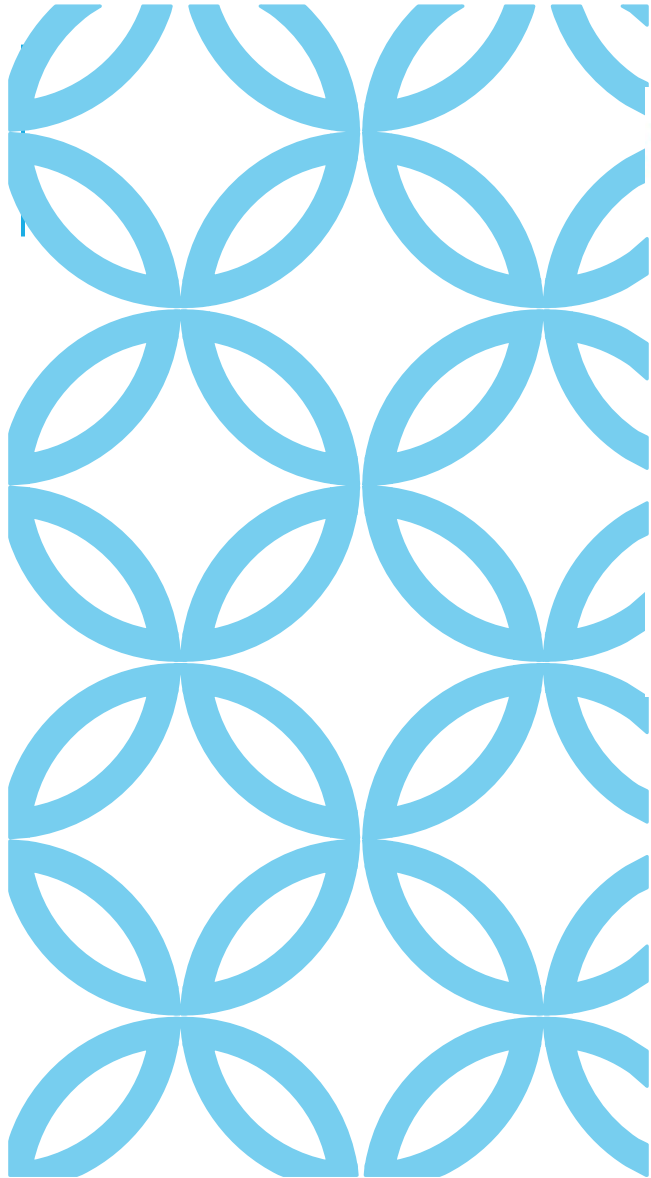


PLASTIC INJECTION TOOL DESIGNING AND MANUFACTURING



MOBILE PHONE ASSEMBLY





# Introduction- Customer list

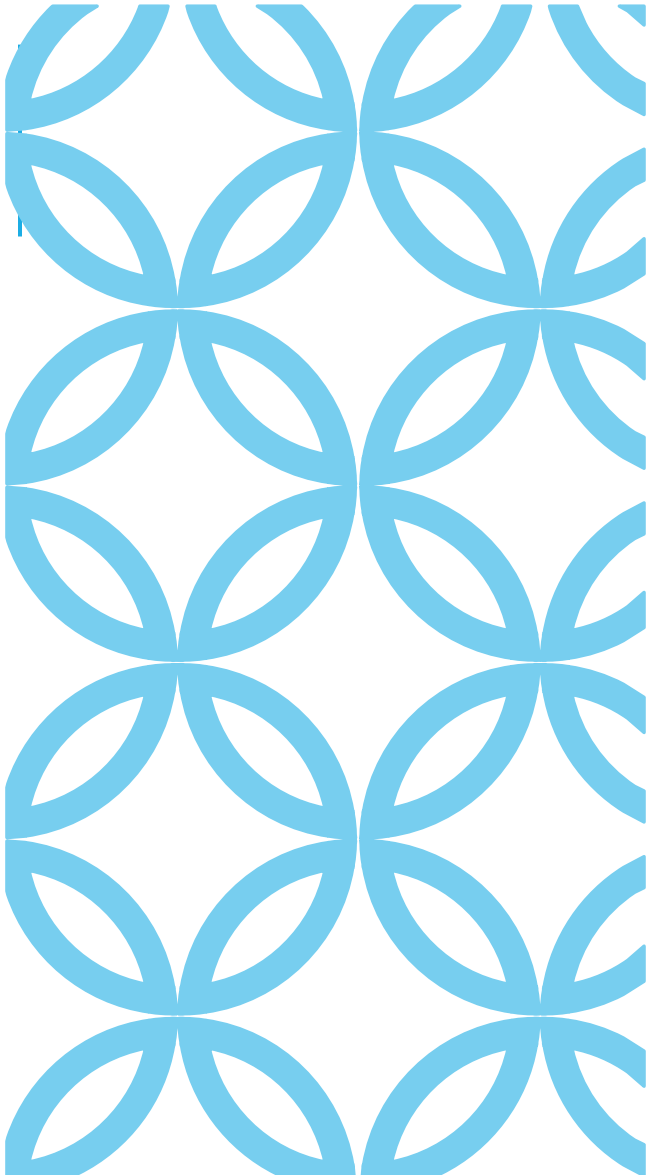


## 1QFY 2020 Profit & Loss Highlights

(₹ million)	Q1 FY2019	Q4 FY2019	Q1 FY2020	Growth (%)	
				Q-o-Q	Y-o-Y
Revenue	1169.0	1,707.3	1731.4	1.4%	48.1%
EBITDA	81.0	131.0	112.6	-14.0%	39.1%
Net Profit	27.5	63.4	41.7	-34.3%	51.4%
Diluted EPS (Rs.)	1.7	3.4	2.2	-34.3%	33.2%

- Highest ever sales in 1Q due to extended summer leading to high demand for AC and coolers ; Strong sales growth of 48%
- EBITDA growth of 39.1% YoY despite scale up costs on new initiatives and disruptions due to fire incident in the factory premises
- PAT growth of 51.4% YoY

# 1QFY2020 Balance Sheet



A. EQUITY AND LIABILITIES	As at 30.06.2019	As at 31.03.2019	B ASSETS	As at 30.06.2019	As at 31.03.2019
(a) Share capital	186.5	186.5	(a) Fixed assets	2,195.2	1,920.6
(b) Reserves and surplus	1543.5	1,503.7	(b) Capital Work in Progress	115.4	341.4
<b>Sub-Total - Shareholders' Funds</b>	<b>1730.0</b>	<b>1,690.2</b>	(c) Other Financial Assets	24.5	23.4
(a) Long-term borrowings	507.9	502.9	(d) Other non-current assets	91.2	67.4
(b) Long-term provisions	41.8	38.2	<b>Sub-Total - Non-Current Assets</b>	<b>2,426.4</b>	<b>2,352.8</b>
<b>Sub-Total - Non-Current Liabilities</b>	<b>549.7</b>	<b>541.2</b>	(a) Inventories	587.1	682.5
(a) Short-term borrowings	651.8	681.3	(b) Trade receivables	776.1	847.1
(b) Trade payables	853.3	915.0	(c) Cash and cash equivalents	42.5	63.7
(c) Other current liabilities	308.7	292.1	(d) Short-term loans and advances	89.5	41.3
(d) Short-term provisions	9.5	9.2	(e) Other current assets	181.4	141.6
<b>Sub-Total - Current Liabilities</b>	<b>1823.2</b>	<b>1,897.6</b>	<b>Sub-Total - Current Assets</b>	<b>1,676.6</b>	<b>1,776.2</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>4102.9</b>	<b>4,129.0</b>	<b>TOTAL-ASSETS</b>	<b>4,102.9</b>	<b>4,129.0</b>

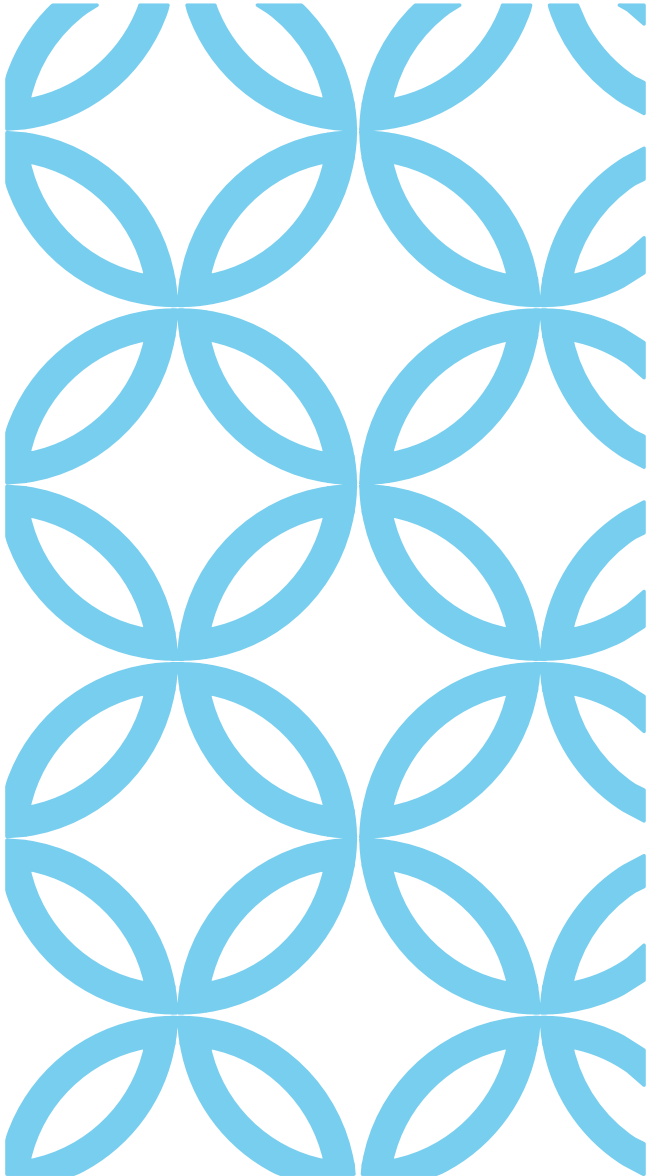
- Working capital management remains the focus area of the company and turnover ratios are improving gradually
- The company management is committed improve the return ratios of the company



## Financial Metrics

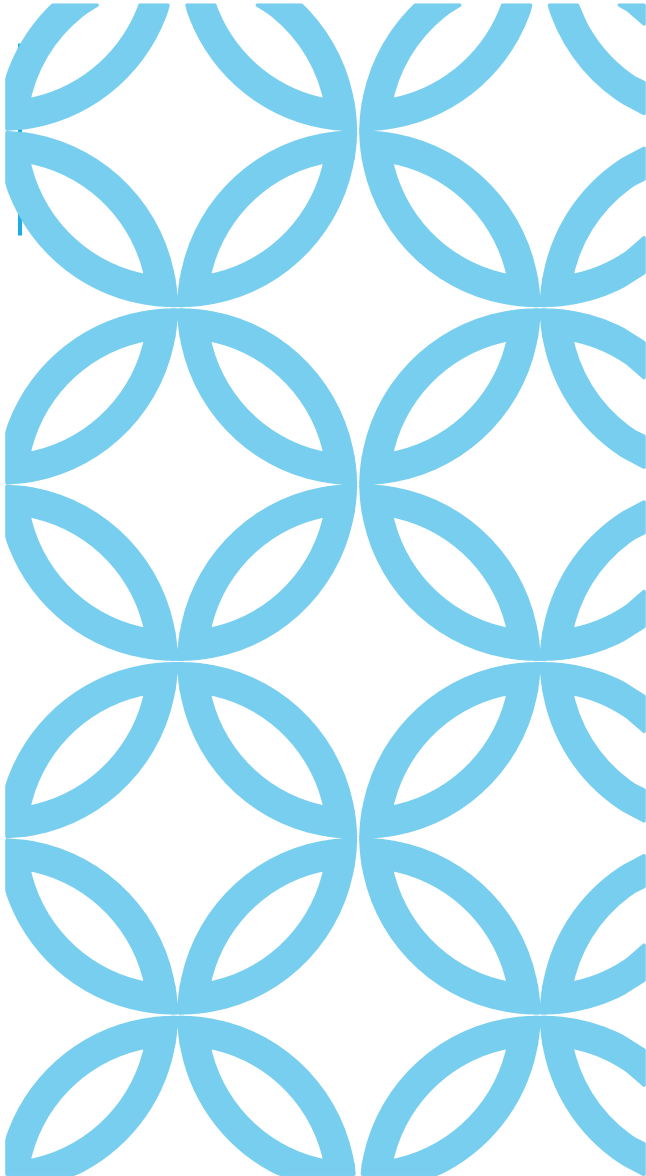
Key Ratios	Q1 FY2019	Q4 FY2019	Q1 FY2020	12M FY2019
EBITDA Margin (%)	6.9%	7.7%	6.5%	6.6%
Effective Tax Rate (%)	0.0%	3.3%	0.0%	2.1%
Net Profit Margin (%)	2.4%	3.7%	2.4%	1.9%
ROCE (%)	6.0%	9.4%	13.4%	9.4%
DSO (Days)	49	60	50	60

- 1QFY20 EBITDA margins impacted due to scaling up costs in new businesses and disruption due to fire incident in the premises
- Profitability and Capital efficiency improvement should pan out in coming quarters as business scale ramps up further



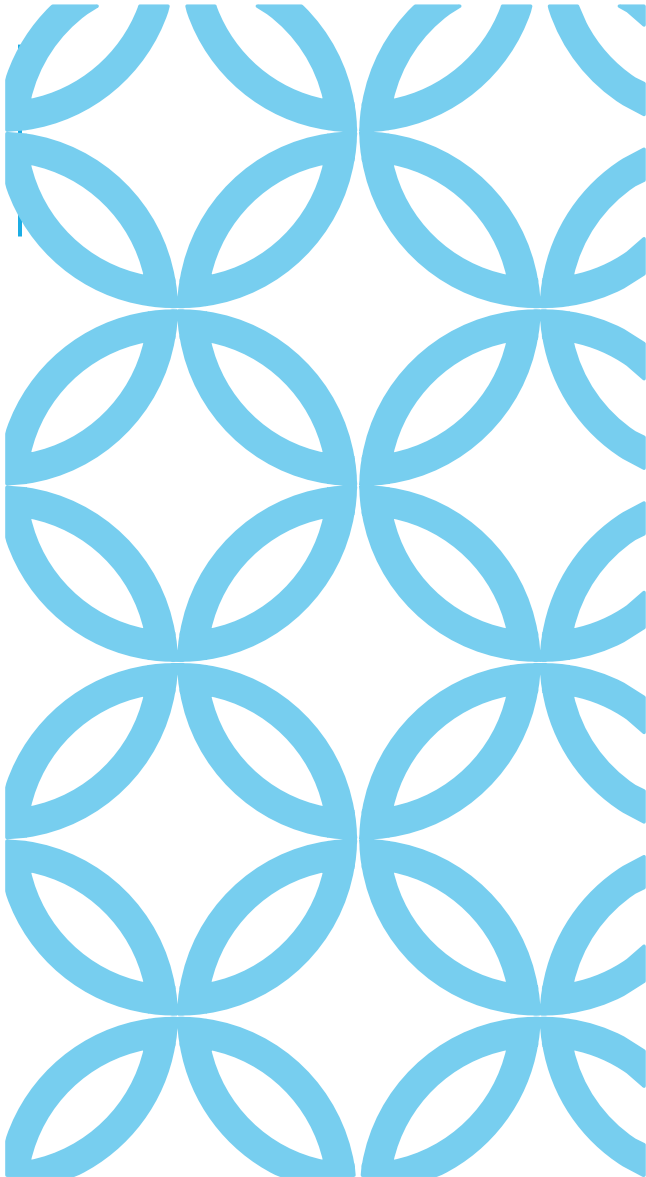
## Major Highlights of 1QFY20

- Extended summer lead to good demand for Coolers and AC parts leading to higher Sales for the segment
- Company's foray into IDU segment in the Room AC market has started well and 1QFY20 saw good progress on the same.
- Both the models of semi-automatic washing machines are doing well for the company and market response continues to remain strong.
- A fire broke out on 15th June 2019 in Washing Machine Division of the Company resulting in loss and damages of inventory and property, plant & equipment. This has resulted in disruption to the operations and impacted sales and profitability during the quarter.
- Overall 1QFY20 has panned out satisfactorily and all businesses are ramping up well.

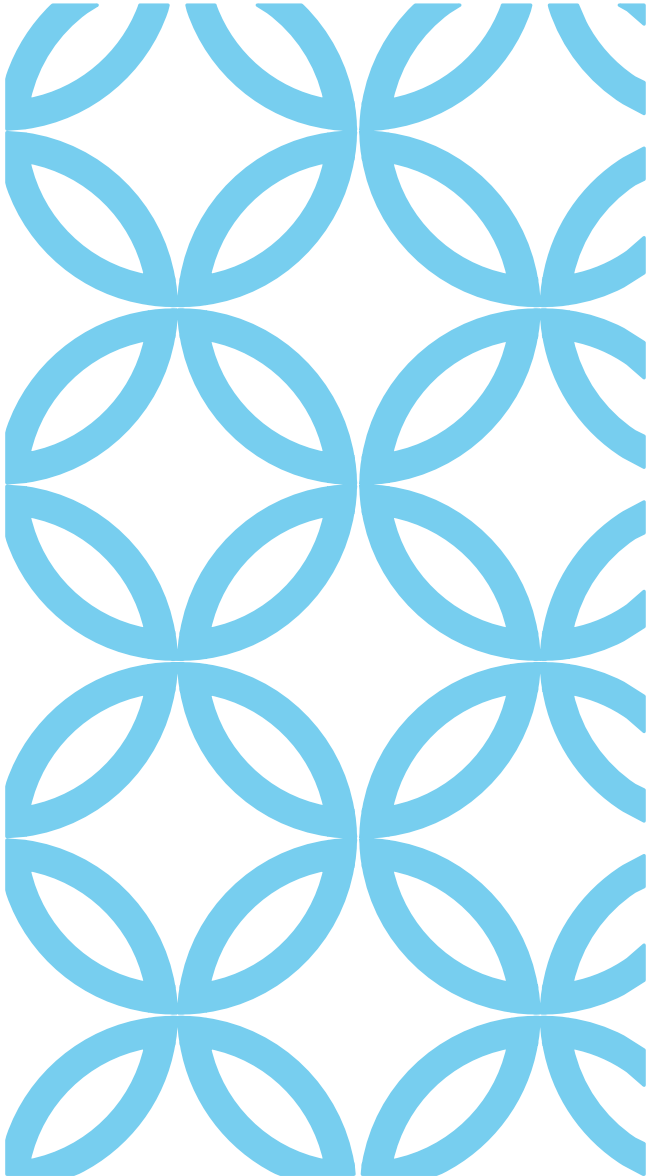


## Industry Outlook

- 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

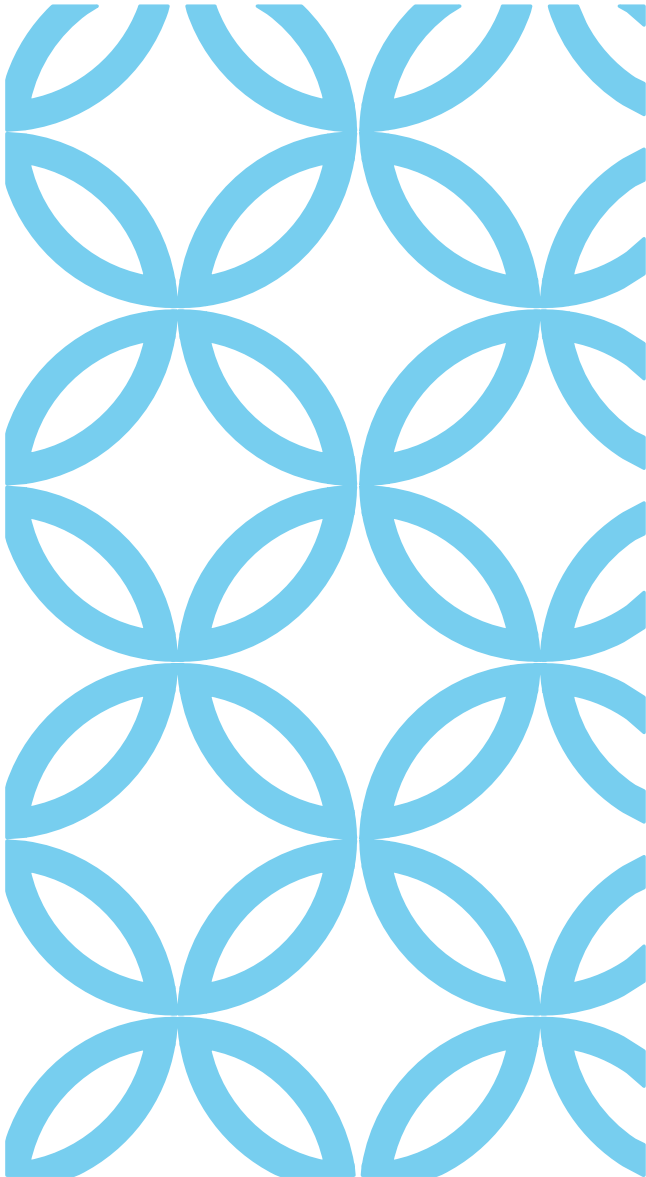


- PG Electroplast has been a pioneer in the consumer durables Industry and is seeing large opportunities in plastic moulding in following product categories
  - Washing machines
  - Air conditioner
  - Refrigerators
  - Ceiling Fans
  - Sanitary ware products
- In addition to the above company sees opportunities in ODM space in 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 newly installed PU paint and tooling 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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