

CG Power and Industrial Solutions Limited

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Corporate Identity Number: L99999MH1937PLC002641



Smart solutions.
Strong relationships.

Our Ref: COSEC/020/2023-24

8th May, 2023

By Portal

The Corporate Relationship Department

BSE Limited
1st Floor, New Trading Ring,
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001
Scrip Code : 500093

The Listing Department

National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex,
Bandra (East),
Mumbai 400 051

Scrip Code : CGPOWER

Dear Sir/Madam,

Sub: Press Release

Please find enclosed Press Release issued by the Company in connection with the financial results for the 4th quarter and year ended 31st March, 2023, announced today.

Request you to kindly take the same on record.

Thanking you,

Yours faithfully,
For **CG Power and Industrial Solutions Limited**

P Varadarajan
Company Secretary

Encl: As above



CG POWER AND INDUSTRIAL SOLUTIONS LTD

FY 2022-23 Performance –YoY Sales grew 28% and PBT by 85%

Q4 FY 2022-23 Performance –YoY Sales grew 27% and PBT by 92%

Standalone Revenue and PBT (before exceptional items) recorded in FY 22-23 is the **highest in last 11 years** (excluding Consumer segment demerged in FY 2015-16).

All the businesses grew significantly over last year with good margins. Order book on hand as at 31 Mar 2023 aggregate to Rs. 4,319 crores.

FINANCIAL RESULTS (STANDALONE)

INR Crores	Q4 FY 23	Q4 FY 22	YoY%	Q3 FY 23	QoQ%	FY 22-23	FY 21-22	YoY%
Sales	1,788	1,407	27%	1,645	9%	6,580	5,159	28%
EBITDA (including Other income)	273	165	65%	295	(8%)	1,016	642	58%
EBITDA / Sales %	15.3%	11.7%		18.0%		15.4%	12.4%	
PBT	252	131	92%	274	(8%)	927	502	85%
PBT / Sales %	14.1%	9.3%		16.6%		14.1%	9.7%	
PAT (excluding exceptional items)	237	109	117%	192	24%	729	387	88%
Exceptional Income (Net)	3	(0)		51		56	240	

Q4 Performance:

- **Aggregate sales** for the quarter were higher at Rs. 1,788 crores recording a growth of 27% YoY and 9% QoQ.
- **PBT** was at Rs. 252 crores (14.1% of sales) in Q4FY23 as against Rs 131 crores (9.3% of sales) in Q4FY22 and Rs 274 crores (16.6% of sales) in Q3FY23.
- **Margins** were higher YoY on account of volume growth, softening in input costs and procurement efficiencies.
- **Free Cash Flow** generated for the quarter was Rs. 263 crores.
- **Order intake** for Q4FY23 was Rs. 2,073 crores (8% growth YoY) and **Unexecuted Order Book** as at 31 Mar 2023 was Rs. 4,319 crores (22% higher YoY).

FY23 Performance:

- **Aggregate sales** for the year were higher at Rs 6,580 crores recording a growth of 28% YoY.
- **PBT** was at Rs. 927 crores (14.1% of sales) in FY23 as against Rs 502 crores (9.7% of sales) in FY22.
- **Margins** were higher YoY on account of volume growth, higher sales realisation, procurement efficiencies and higher other income.
- **ROCE** for FY23 was at 47% as against 34% in FY22.
- **Free Cash Flow** generated for the year was Rs. 749 crores.
- **Order intake** for FY23 was Rs. 7,828 crores (20% growth YoY).



Segment wise performance

Industrial Systems

INR Crores	Q4 FY 23	Q4 FY 22	YoY%	Q3 FY 23	QoQ%	FY 22-23	FY 21-22	YoY%
Sales	1,196	960	25%	1,162	3%	4,558	3,644	25%
EBITDA	197	142	39%	221	(11%)	780	493	58%
EBITDA / Sales %	16.5%	14.8%		19.0%		17.1%	13.5%	
PBIT	188	135	40%	213	(11%)	748	464	61%
PBIT / Sales %	15.8%	14.0%		18.3%		16.4%	12.7%	

Q4 Performance:

- **Aggregate sales** for the quarter were higher at Rs. 1,196 crores recording a growth of 25% YoY and 3% QoQ
- **PBIT** was at Rs. 188 crores (15.8% of sales) in Q4FY23 as against Rs 135 crores (14.0% of sales) in Q4FY22 and Rs. 213 crores (18.3% of sales) in Q3FY23.
- **Margins** were higher YoY on account of higher volumes, softening in input costs and procurement efficiencies.
- Sequentially, **margins** were lower due to product mix, execution of firm price orders and higher input costs.
- **Order intake** for Q4FY23 was Rs. 1,436 crores (4% growth YoY) and **Unexecuted Order book** as at 31 Mar 2023 was Rs. 2,040 crores (2% higher YoY).

FY23 Performance:

- **Aggregate sales** for the year were higher at Rs 4,558 crores recording a growth of 25% YoY
- **PBIT** was at Rs. 748 crores (16.4% of sales) in FY23 as against Rs 464 crores (12.7% of sales) in FY22
- **Margins** were higher YoY on account of higher volumes, better price realisation, softening in input costs and procurement efficiencies.
- **Order intake** for FY23 was Rs. 4,963 crores (13% growth YoY).

Power systems

INR Crores	Q4 FY 23	Q4 FY 22	YoY%	Q3 FY 23	QoQ%	FY 22-23	FY 21-22	YoY%
Sales	593	448	32%	484	23%	2,023	1,516	33%
EBITDA	83	35	136%	65	28%	262	181	45%
EBITDA / Sales %	14.1%	7.9%		13.5%		12.9%	11.9%	
PBIT	75	27	181%	57	32%	227	145	57%
PBIT / Sales %	12.7%	6.0%		11.7%		11.2%	9.5%	

Q4 Performance:

- **Aggregate sales** for the quarter were higher at Rs 593 crores recording a growth of 32% YoY and 23% QoQ
- **PBIT** was at Rs. 75 crores (12.7% of sales) in Q4FY23 as against Rs 27 crores (6.0% of sales) in Q4FY22 and Rs. 57 crores (11.7% of sales) in Q3FY23.
- **Margins** were significantly higher YoY on account of higher volumes and favourable product mix. Further, there were one time warranty provisions in Q4FY22.



- **Order intake** for Q4FY23 was Rs. 637 crores (18% growth YoY) and **Unexecuted Order book** as at 31 Mar 2023 was Rs. 2,279 crores (46% higher YoY).

FY23 Performance:

- **Aggregate sales** for the year were higher at Rs 2,023 crores recording a growth of 33% YoY
- **PBIT** was at Rs. 227 crores (11.2% of sales) in FY23 as against Rs 145 crores (9.5% of sales) in FY22
- **Margins** were higher YoY on account of higher volumes, softening in input costs and procurement efficiencies.
- **Order intake** for FY23 was Rs. 2,865 crores (33% growth YoY).

FINANCIAL RESULTS (CONSOLIDATED)

INR Crores	Q4 FY 23	Q4 FY 22	YoY%	Q3 FY 23	QoQ%	FY 22-23	FY 21-22	YoY%
Sales	1,903	1,485	28%	1,752	9%	6,973	5,484	27%
EBITDA (including Other income)	290	174	66%	312	(7%)	1,061	671	58%
EBITDA / Sales %	15.2%	11.7%		17.8%		15.2%	12.2%	
PBT	262	135	95%	285	(8%)	950	504	89%
PBT / Sales %	13.8%	9.1%		16.2%		13.6%	9.2%	
PAT (excluding exceptional items)	241	108	124%	203	19%	745	382	95%
Exceptional Income (Net)	19	(0)		31		52	248	

Consolidated results include the performance of the operating Subsidiaries at Sweden, Germany and Netherlands (Drives and Automation Europe) and other non-operating and holding subsidiaries.

The Company has decided to divest its investment in a wholly owned subsidiary QEI LLC and has engaged a third party to find suitable buyers and presently expects to complete the divestment in FY 2023-24. In accordance with IND AS 105 "Non-Current Assets Held For Sale And Discontinued Operations" the operations of the subsidiary including its assets, liabilities and net results are disclosed as discontinuing operation.

Q4 Performance:

- **Aggregate sales** for the quarter were higher at Rs. 1,903 crores recording a growth of 28% YoY and 9% QoQ.
- **PBT** was at Rs. 262 crores (13.8% of sales) in Q4FY23 as against Rs 135 crores (9.1% of sales) in Q4FY22 and Rs 285 crores (16.2% of sales) in Q3FY23.
- **Unexecuted Order Book** of Drives and Automation, Europe as at 31 Mar 2023 was Rs. 138 crores (17% higher YoY).



FY23 Performance:

- **Aggregate sales** for the year were higher at Rs 6,973 crores recording a growth of 27% YoY.
- **PBT** was at Rs. 950 crores (13.6% of sales) in FY23 as against Rs 504 crores (9.2% of sales) in FY22.

Summary

FY 2022-23 was another record breaking year and the Company built on its strength and delivered across financial and operational parameters.

Several landmarks were achieved by the business:

1. Highest ever sales by Motors division
2. Highest ever sales by Railway division
3. Highest ever Order booking for Transformer division

Highlights of the year include:

1. The Company declared and paid interim dividend (including special dividend) of Rs. 229 crores (75% of face value) after a gap of 7 years.
2. The Company prepaid its remaining Term loan of Rs. 100 crores and pre-redeemed Non-convertible Debentures of Rs. 200 crores (out of internal accruals), post which the Company has become debt free.
3. The Board of directors approved a proposal to expand the manufacturing capacity of Motors at its plants at Ahmednagar and Goa at an outlay of Rs. 230 crores and for Transformers at its plants in Bhopal and Malanpur at an investment of Rs. 126 crores.
4. India ratings upgraded the Company's Long term rating from AA- to AA Stable and affirmed short term rating at A1+.

Unaudited financial statements with detailed notes are available as part of stock exchange filing and in the company's website www.cgglobal.com

About Murugappa Group

Founded in 1900, the INR 547 Billion (INR 54,722 Crores) Murugappa Group is one of India's leading business conglomerates. The Group has 29 businesses including ten listed Companies traded in NSE & BSE. Headquartered in Chennai, the major Companies of the Group include Carborundum Universal Ltd., CG Power and Industrial Solutions Ltd., Cholamandalam Financial Holdings Ltd., Cholamandalam Investment and Finance Company Ltd., Cholamandalam MS General Insurance Company Ltd., Coromandel International Ltd., Coromandel Engineering Company Ltd., E.I.D. Parry (India) Ltd., Parry Agro Industries Ltd., Shanthi Gears Ltd., Tube Investments of India Ltd. and Wendt (India) Ltd.



Smart solutions.
Strong relationships.

The Group holds leadership position in several product lines including Abrasives, Technical Ceramics, Electro Minerals, Auto Components & Systems, Power Conversion Equipment, Transformers & Reactors for the Power T&D segment, Solutions for Railways in Rolling Stock & Signalling Equipment, Bicycles, Fertilisers, Sugar, Tea and Spirulina (Nutraceuticals). The Group has forged strong alliances with leading international companies such as Groupe Chimique Tunisien, Foskor, Mitsui Sumitomo, Morgan Advanced Materials, Yanmar & Co. and Compagnie Des Phosphat De Gafsa (CPG). The Group has a wide geographical presence all over India and spanning 6 continents.

Renowned brands like BSA, Hercules, Montra, Mach City, Ballmaster, Ajax, Rhodius, Parry's, Chola, Gromor, Shanthi Gears and Paramfos are from the Murugappa stable. The Group fosters an environment of professionalism and has a workforce of over 59,000 employees.

For more details, visit <https://www.murugappa.com/>

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