

PG ELECTROPLAST LIMITED

Q1 FY19 UPDATE

DISCLAIMER

This presentation has been prepared for informational purposes only. This Presentation does not constitute a prospectus, Offering circular or offering memorandum and is not an offer or initiation to buy or sell any securities, nor shall part or all of this presentation form the basis of, or to be relied on in connection with any contract or investment decision in relation to any securities.

This Presentation contains forward looking statements based on the currently held beliefs of the management of the company which are expressed in good faith and in their opinion reasonable. The forward looking statements may involve known and unknown risks uncertainty and other factors which may cause the actual results, financial condition performance or achievements of the Company or industry results materially from the results, Financial Conditions, Performance, or achievements of the Company.

These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward looking statements.

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



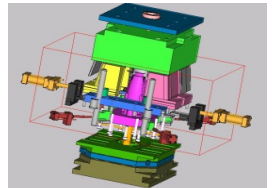
FINAL ASSEMBLY OF AIR COOLERS,
WASHING MACHINE, LED TV, STBs



PRINTED CIRCUIT BOARD ASSEMBLIES

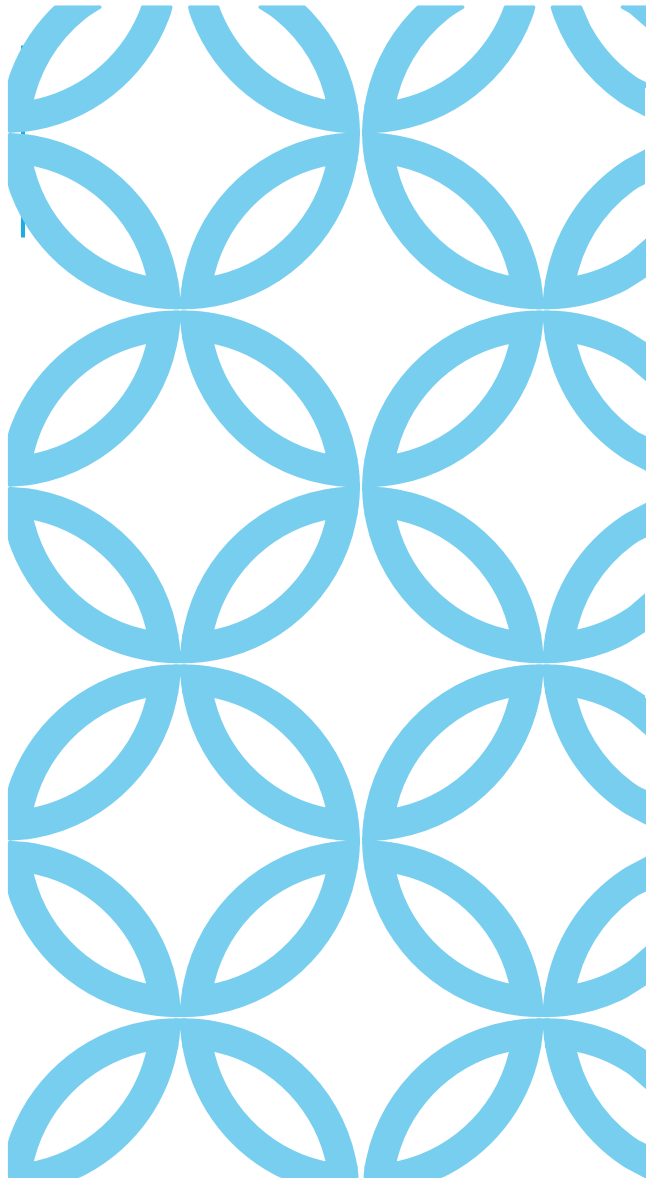


PLASTIC INJECTION TOOL DESIGNING
AND MANUFACTURING



MOBILE PHONE ASSEMBLY





Introduction- Customer list



Unilever



HAVELLS



1QFY 2019 Profit & Loss Highlights

(₹ million)	Q1 FY2018	Q4 FY2018	Q1 FY2019	Growth (%)	
				Q-o-Q	Y-o-Y
Revenue	1121.4	1178.8	1169.0	-0.8%	4.2%
EBITDA	82.1	66.7	81.0	21.4%	-1.4%
Net Profit	21.5	28.3	27.5	-2.7%	27.8%
Diluted EPS (Rs.)	1.31	1.72	1.68	-2.7%	27.8%

- 1Q results impacted due to low demand for AC and coolers
- EBITDA growth impacted due to provision of doubtful interest on ICD
- PAT growth of 27.8% YoY

1QFY2019 Balance Sheet

A. EQUITY AND LIABILITIES	As at 30.06.2018	As at 31.03.2018	B ASSETS	As at 30.06.2018	As at 31.03.2018
(a) Share capital	164.1	164.1	(a) Fixed assets	1,871.4	1,785.2
(b) Reserves and surplus	1,174.2	1,144.1	(b) Capital Work in Progress	208.6	229.4
Sub-Total - Shareholders' Funds	1,338.4	1,308.2	(c) Other Financial Assets	56.0	49.6
(a) Long-term borrowings	784.4	795.8	(d) Other non-current assets	37.1	50.2
(b) Long-term provisions	32.2	33.1	Sub-Total - Non-Current Assets	2,173.1	2,114.3
Sub-Total - Non-Current Liabilities	816.6	828.9	(a) Inventories	556.4	593.1
(a) Short-term borrowings	403.6	356.0	(b) Trade receivables	553.5	507.1
(b) Trade payables	650.2	649.5	(c) Cash and cash equivalents	28.7	41.3
(c) Other current liabilities	320.2	329.2	(d) Short-term loans and advances	188.8	182.2
(d) Short-term provisions	9.1	8.7	(e) Other current assets	37.7	42.6
Sub-Total - Current Liabilities	1,383.2	1,343.4	Sub-Total - Current Assets	1,365.1	1,366.2
TOTAL - EQUITY AND LIABILITIES	3,538.2	3,480.5	TOTAL-ASSETS	3,538.2	3,480.5

- Management focus continues to be on controlling working capital deployment by closely monitoring inventories and receivables.
- Increasing asset turns and improving return ratios remains key focus areas of the management.

Financial Metrics

Key Ratios	Q1 FY2018	Q4 FY2018	Q1 FY2019	12M FY2018
EBITDA Margin (%)	7.3%	5.7%	6.9%	7.4%
Effective Tax Rate (%)	10.0%	-46.78%	0.0%	0.0%
Net Profit Margin (%)	2.1%	1.6%	2.4%	1.8%
ROCE (%)	6.5%	6.9%	6.0%	6.9%
DSO (Days)	51	46	49	46

- 1Q19 EBITDA margins impacted due to provision of doubtful interest on ICD
- Operational margins of the company are in line with management's expectations

Major Highlights of 1QFY19

- Company's new initiatives like PU paint shop, UF thermoset moulding and tool room are ramping as per expectations
- Company's washing machine under ODM model has picked up well and is seeing encouraging month on month volume growth.
- Company continues to invest in the ODM business model and is developing second model of semi-automatic washing machine.
- The late onset of summer and lower temperature in the northern belt led to lower offtake of Coolers and AC parts for the company in the 1QFY19, impacting the sales. Also provision for doubtful interest on ICD has impacted the profitability in the quarter under review.
- Overall 1QFY19 has panned out satisfactorily as new initiatives have made up for the lower offtake in the Cooler and AC parts business.

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 Management's 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
 - Air conditioner
 - Refrigerators
 - Ceiling Fans
 - Sanitary ware products
- In addition to the above company sees opportunities in ODM space in LED TVs, 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

For any queries, please contact:
investors@pgel.in