



HPL Electric & Power Limited

CIN : L74899DL1992PLC048945

Corporate Office : Windsor Business Park, B-1D, Sector-10,
Noida - 201301 (U.P.) | Tel.: +91-120-4656300 | Fax. +91-120-4656333
E-mail : hpl@hplindia.com | website: www.hplindia.com

14th November, 2019

The Manager,
Listing Department,
National Stock Exchange of India Ltd.
"Exchange Plaza", C-1, Block G,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051
Symbol: HPL

BSE Limited
25th Floor, New Trading Ring, Rotunda
Building, Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

Scrip Code: 540136

Subject: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Earnings Presentation

Dear Sir

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of the Earnings Presentation that we propose to make during the conference call for investors scheduled to be held on Monday, 18th November, 2019 at 4:00 PM IST is enclosed herewith.

The said Earnings Presentation has also been uploaded on the Company's website i.e. www.hplindia.com.

We request you to kindly take the same on record.

Thanking You

Yours Faithfully,
For HPL Electric & Power Limited

Vivek Kumar
Company Secretary

Encl: As above



HPL ELECTRIC & POWER LIMITED

Q2 & H1 FY20 RESULTS UPDATE

November 2019



PREPAID METER



MCCB



SMART METER



RCCB



TPN PHASE SELECTOR



STREET LIGHT 100W



LED BULB



FLAME RETARDANT
CABLES

This presentation and the following discussion may contain “forward looking statements” by HPL Electric & Power Limited (“HPL” or the Company) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of HPL about the business, industry and markets in which HPL operates.

These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond HPL’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of HPL.

In particular, such statements should not be regarded as a projection of future performance of HPL. It should be noted that the actual performance or achievements of HPL may vary significantly from such statements.



Discussion Summary

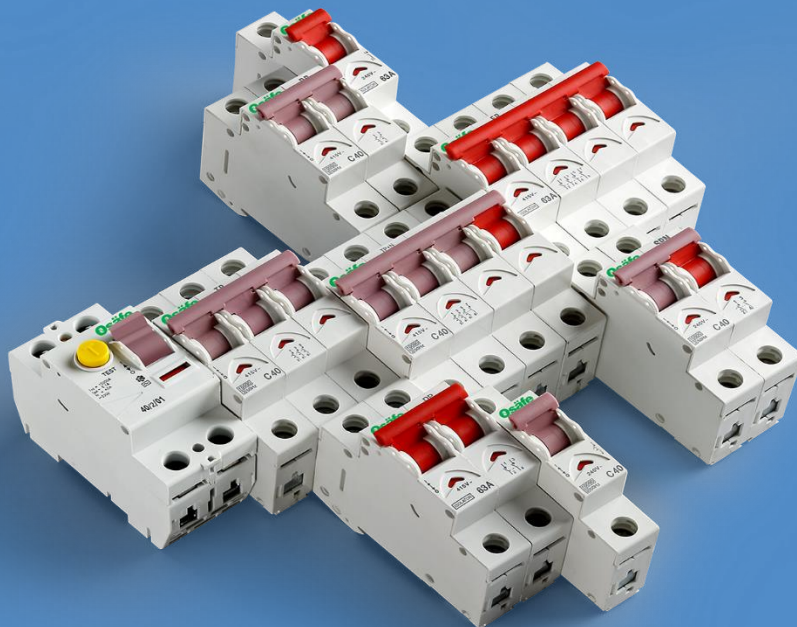
Quarterly Update

Company Overview

Shareholding Structure



QUARTERLY UPDATE



Q2 FY20: KEY HIGHLIGHTS



**Healthy Growth in Lighting
& Metering Business**

- Continued traction in Metering business - Reported Growth of 22% QoQ and 3% YoY to INR 165.3 Crores
- Lighting business witnessed double-digit growth - buoyed by the festive season, and good traction in the retail category
- Healthy order book combined with favourable demand visibility in meters and lighting segments should help drive double-digit growth in Q3



**Improved Operating
Margins and Stable
Receivable Days**

- EBITDA margin improved to 12.9% in Q2 FY20 compared to 11.7% in Q2 FY19, driven by higher revenue contribution from meters (61% in Q2 FY20 vs. 56% in Q2 FY19) and efficient cost management
- Non-utility receivable days remained constant and utility receivable days increased marginally when compared to March 2019



**Positive Business Outlook
Supported by Marketing
Initiatives &
Production Innovation**

- HPL's association with Haryana Steelers Pro Kabaddi team as its "official LED lighting partner" is yielding positive results in the lighting trade segment. We expect this to enhance our brand visibility significantly in Tier 2 & 3 towns and rural areas
- Continuously launching innovative range of products in various categories



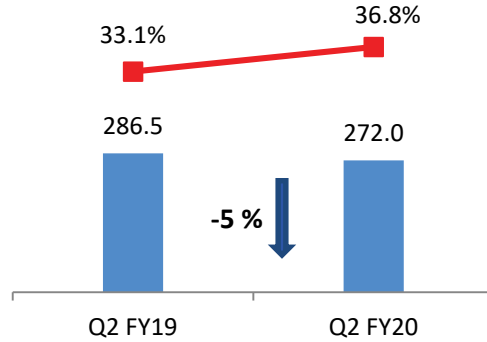
**Favourable Policy
Initiatives**

- Government's plan to set up a ₹25,000 crore fund to revive stalled housing projects is expected to boost demand for switchgear
- Revamped Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) is expected to further boost demand for HPL's products especially domestic switchgears

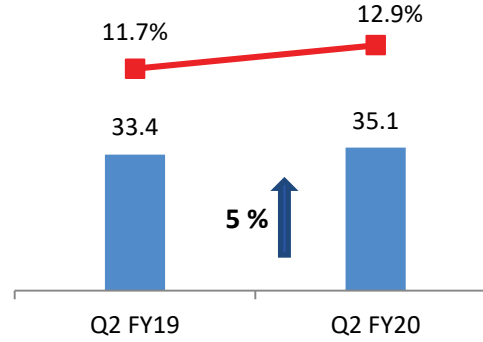
Q2 & H1 FY20: YoY HIGHLIGHTS

In Rs Crore

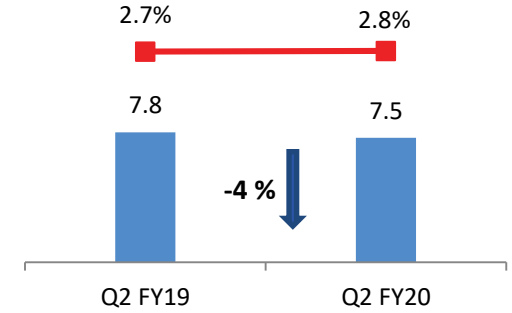
NET REVENUES & GROSS MARGIN



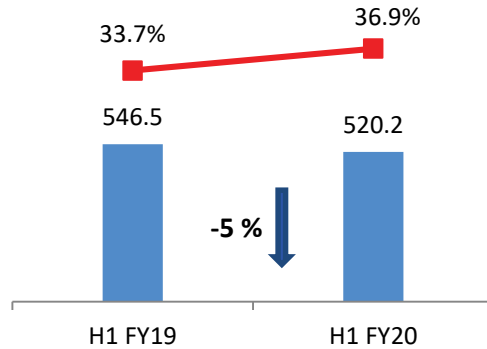
EBITDA & EBITDA MARGIN



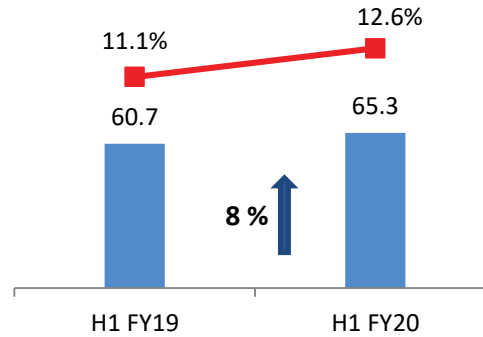
PAT & PAT MARGIN



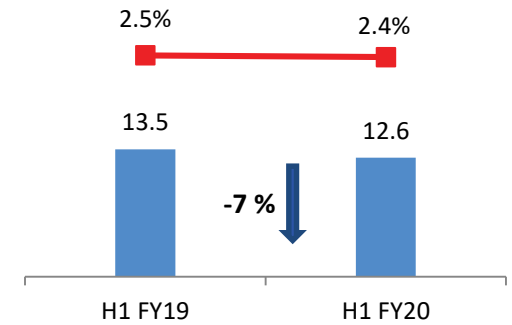
NET REVENUES* & GROSS MARGIN



EBITDA & EBITDA MARGIN



PAT & PAT MARGIN

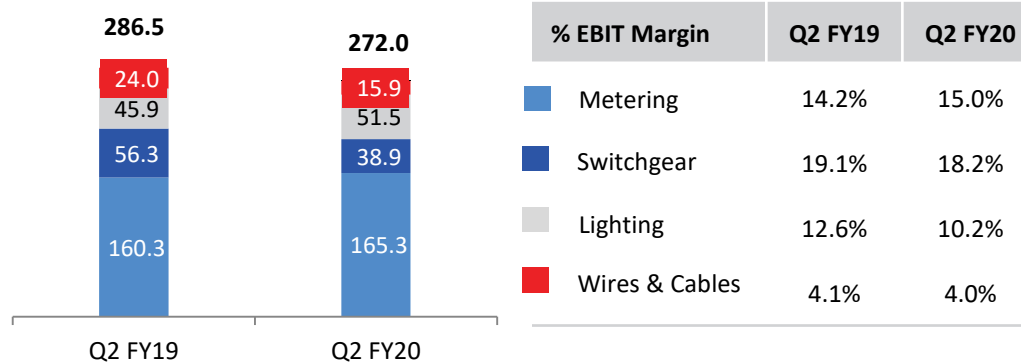


* Net revenues from operations (net of excise duty)

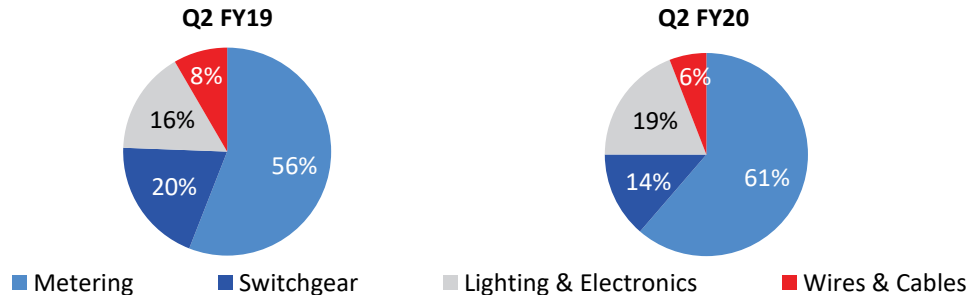
Q2 FY20: YoY SEGMENT ANALYSIS & BUSINESS OUTLOOK

In Rs Crore

SEGMENT REVENUE AND EBIT MARGIN



SEGMENT REVENUE SHARE %



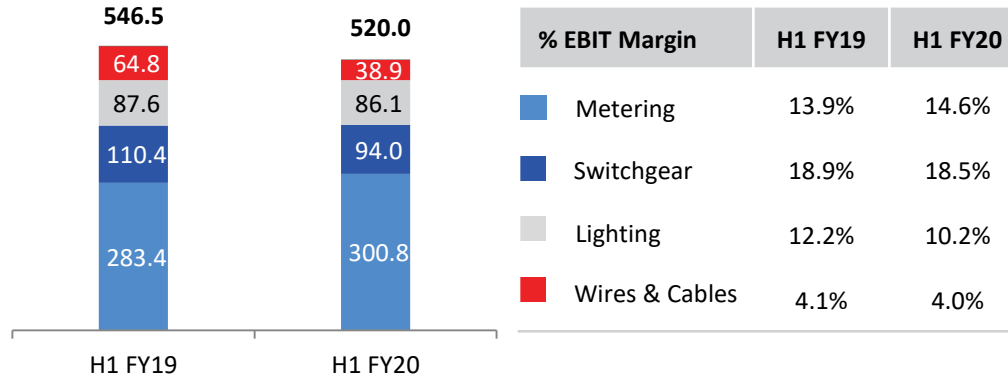
- **Metering revenues grew by 22% QoQ and 3% YoY -**
 - Timely execution of orders
 - EBIT Margins expanded by ~80 bps on account of higher revenue base coupled with better product mix
- **Lighting revenues grew by 48% QoQ and 12% YoY**
 - Growth was majorly led by network expansion, and offering a wider range of products to consumers
- **Performance of the Switchgear segment was subdued due to weak demand in real estate, industrial and infrastructure markets**
 - Despite lower revenues, operating margins remained largely stable led by cost control measures
- **Business Outlook**
 - Metering business is expected to record double-digit growth in Q3 led by timely execution. Increased enquiries & tenders to drive order inflow
 - Growth momentum in the lighting segment is expected to continue
 - Wires and Cables segment to see a significant improvement in revenues sequentially in Q3

Note: Total Revenue for Q2 FY20 includes INR 0.5 Crores of Project Revenue

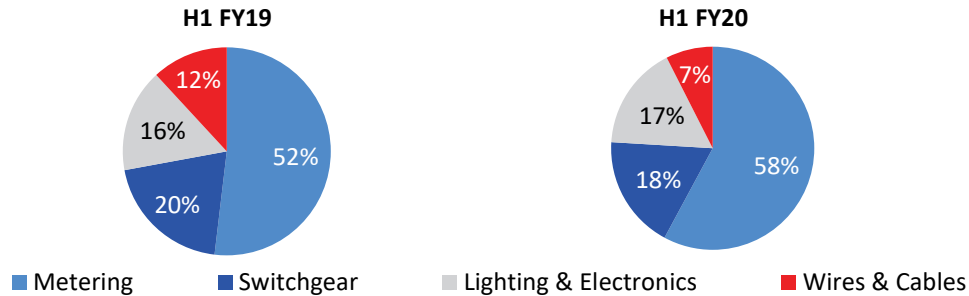
H1 FY20: YoY SEGMENT ANALYSIS

In Rs Crore

SEGMENT REVENUE AND EBIT MARGIN



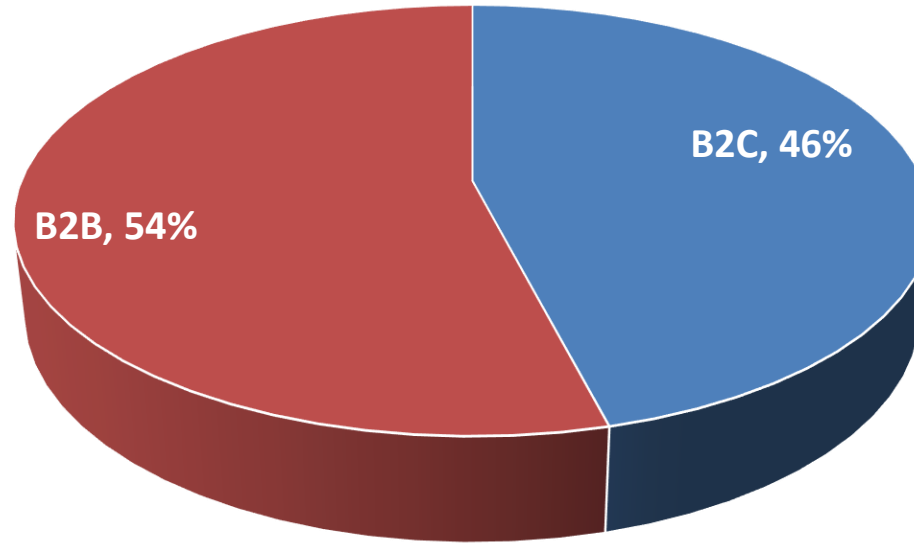
SEGMENT REVENUE SHARE %



Note: Total Revenue includes INR 0.3 crores and INR 0.5 Crores in H1 FY19 and H1 FY20 respectively

H1 FY20: REVENUE BREAKUP – B2C vs. B2B

H1 FY20 Revenues – Rs 520.2 crore

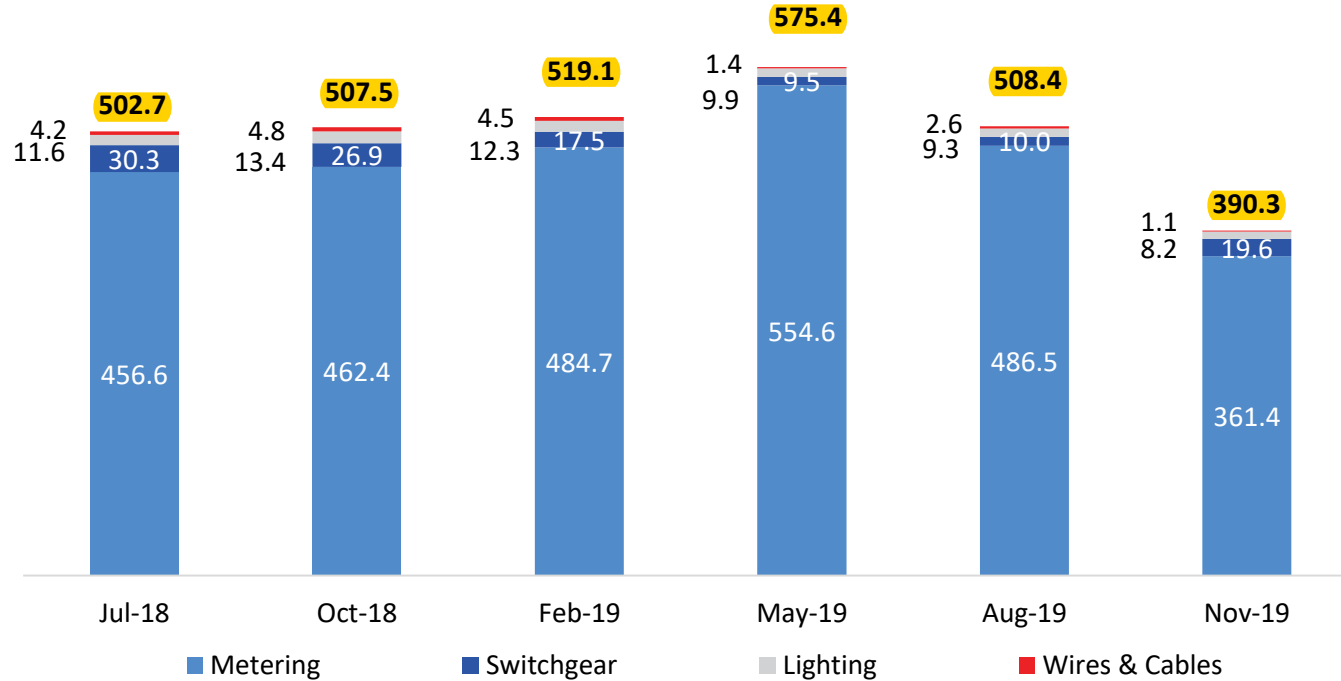


B2C includes Non-utility Metering, Switchgear, Lighting and Wires & Cables Segment Revenues

B2B includes Metering Revenues from Utilities and EESL

ROBUST ORDER BOOK & OUTLOOK

ORDER BOOK (Rs CRORE) – NET OF TAXES



- Current Order book provides good revenue visibility for the rest of the year
- Expect higher order inflow in forthcoming quarters led by Increased enquiries and tenders in metering -
 - Tenders amounting to INR ~2,000 crores (~1.6 crore meters) have been floated or are expected to be floated in the near-term

CONSOLIDATED PROFIT & LOSS STATEMENT



Particulars (In Rs. Cr.)	Q2 FY20	Q2 FY19	YoY%	Q1 FY20	QoQ%	H1 FY20	H1 FY19	YoY%
Net Revenue from Operations (Net of Excise)	272.0	286.5	-5.0%	248.2	9.6%	520.2	546.5	-4.8%
COGS	172.0	191.7	-10.3%	156.2	10.1%	328.2	362.2	-9.4%
Gross Profit	100.1	94.8	5.6%	91.9	8.8%	192.0	184.3	4.2%
Gross Margin (%)	36.8%	33.1%	370 bps	37.0%	-26 bps	36.9%	33.7%	318 bps
Employee Expenses	34.3	35.1	-2.1%	34.3	0.1%	68.7	70.5	-2.6%
Other Expenses	30.7	26.3	16.5%	27.4	11.9%	58.1	53.1	9.3%
EBITDA	35.1	33.4	5.0%	30.2	16.0%	65.3	60.7	7.6%
EBITDA Margin (%)	12.9%	11.7%	123 bps	12.2%	71 bps	12.6%	11.1%	145 bps
Other Income	0.6	1.4	-55.9%	1.4	-54.4%	2.0	2.6	-22.7%
Finance Costs	15.6	15.7	-0.2%	14.9	5.1%	30.5	29.2	4.4%
Depreciation	9.6	8.0	19.8%	9.4	2.0%	19.1	15.0	27.2%
PBT	10.4	11.1	-6.1%	7.3	43.1%	17.7	19.0	-6.9%
Taxes	2.9	3.3	-11.2%	2.2	29.7%	5.1	5.5	-7.3%
Reported PAT	7.5	7.8	-4.0%	5.1	49.0%	12.6	13.5	-6.7%
PAT Margin (%)	2.8%	2.7%	3 bps	2.0%	73 bps	2.4%	2.5%	-5 bps
Earnings Per Share (EPS)	1.17	1.21	-4.0%	0.79	49.0%	1.95	2.08	-6.7%

CONSOLIDATED BALANCE SHEET

Particulars (In Rs Cr)	Sep-19	Mar-19
Equities & Liabilities		
Shareholder's Funds	739.4	728.5
Equity share capital	64.3	64.3
Other Equity	675.1	664.2
Minority Interest	1.6	1.5
Preference Share Capital	15.4	14.9
 Non-Current Liabilities	 49.6	 31.3
Borrowings	21.8	10.4
Other Financial Liabilities	17.8	12.0
Provisions	10.0	9.0
 Current Liabilities	 778.3	 744.6
Borrowings	538.0	501.0
Trade Payables	209.4	216.0
Other Financial Liabilities	20.2	16.2
Provisions	7.3	4.7
Other Current Liabilities	3.3	6.7
Total Equity & Liabilities	1,584.2	1,520.8

Particulars (In Rs Cr)	Sep-19	Mar-19
Assets		
Non-Current Assets	536.9	519.6
Property, Plant & Equipment	425.6	423.6
Right to Use Asset	8.6	0
Intangible Assets	31.5	29.7
CWIP	9.8	7.2
Loans	2.8	2.6
Deferred Tax Assets (Net)	35.4	37.4
Other Non-Current Assets	23.1	19.1
 Current Assets	 1,047.4	 1,001.2
Inventories	440.9	414.1
Trade receivables	479.8	471.3
Cash & Bank Balances	72.5	66.9
Loans	0.4	0.4
Other Financial Assets	15.0	14.6
Current Tax Assets (Net)	0.6	1.7
Other Current Assets	38.2	32.2
Total Assets	1,584.2	1,520.8

MARKETING CAMPAIGNS & ACTIVATIONS



Meet & Greet with Haryana Steelers @ Bella Vista, Panchkula, Haryana

We have strengthened our presence in North India by associating with Haryana Steelers. To celebrate this association, we have organised Meet & Greet event with Players at Panchkula wherein key dealers & distributors were also invited to grace the occasion. Lot of engagement, activities & group photo session were organised followed by lunch. Through this association, we intend to enhance our brand out reach in tier II, tier III markets.



Cake Cutting Celebration with Haryana Steelers

Exhibition Innovations

HPL Products attracted interest of many National & International customers

Renewable Energy India Sep. 2019 @ Gr. Noida

Asia's largest & most influential renewable energy expo, attracts the customer from across the world. HPL has been participating in REI from last 3 consecutive years and are able to convert opportunities into businesses. This year we have added 5 key products into our solar baskets which will certainly give heads-up to our brand in competitive market.



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Electric & Power Indonesia, Sep. 2019 @ Jakarta



Indonesia is a growing market, importing \$1.5 billion of electrical power equipments every year. Therefore, this exhibition was a great opportunity for us to present ourselves as complete electrical equipment solutions to potential customers. We were able to extract the enquiries from govt. utilities & distributors networks and trade markets.



EMA VIETNAM, Sep. 2019 @ Vietnam

HPL has participated in collaboration with our esteemed distributor DAT BINH, Vietnam. This has been a good opportunity for us to demonstrate ourselves as Indian Electrical brand with highly efficient product catering to the needs of local & neighbour markets of Vietnam. We have received quite positive response from our customer, hope to convert the leads into business.

Infra Oman Exhibition, Oct. 2019 @ Oman



One of the largest building and construction expo in Oman region. HPL participated for the first time and made its presence felt as "Make in India" brand with highly efficient technology product, which attracted all the delegates & customers during the show.



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New Solar Products Launched in the Switchgear Category

New Product Launches @ REI 2019



String
Combiner
Box
1500V DC



String
Monitoring
Box
1500V DC



AC
Combiner
Box
800V AC



AC
Distribution
Box
1000V AC



LT Panel 800V AC

CHANNEL CONNECTS & DEALER MEETS



Organized more than 20 Dealer Meets and 25 Retailer Meets - Successfully engaging with over 400 Dealers & Distributors and over 2,000 Retailers across India in the 2nd Quarter

Connect. Converge. Engage.

To capitalise on maximum market share before the festive season hits, HPL has strategically organised more than 20 channel partners meet at PAN India level. This platform has given us an opportunity to connect with our partner for product awareness & sharing vision from brand growth perspective. We also have launched LED Lighting series by the name of 7 wonders at this platform which has been appreciated by all our networks and given a commitment for stringent growth to our brand.

Dealer & Retailer Meets



Dealers Meet, Cochin



Retailers Meet, West Bengal



Dealers Meet, Lucknow



Retailers Meet, Jaipur



Dealers Meet, Mumbai

Electrician & Nukkad Meets



Electrician Meet, Kerala



Electrician Meet, Jaipur



Electrician Meet, Gr. Noida



Nukkad Meet, Delhi



Nukkad Meet, West Bengal



Nukkad Meet, Meerut

These small scale meets gives you a platform to reach out to your direct customers. Explaining about our products, greet them with gifts followed by lunch motivates them for business conversions.

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COMPANY OVERVIEW



BRIEF PROFILE



BUSINESS OVERVIEW

- HPL is an established electric equipment manufacturer in India - market leader in electricity energy meters (20% mkt. share) & on-load change-over switches (50% mkt. share), 5th largest LED manufacturer, 5% mkt. share in LV switchgears
- 40+ year old established brand with strong recall across various customer segments – Power Utilities, Government Agencies, Retail and Institutional customers
- Large product portfolio offering wide range of Metering Solutions, Switchgears, Lighting which includes LED & CFL lamps and Wires & Cables

KEY STRENGTHS

- 7 state-of-the-art Manufacturing facilities with capabilities across design & product development, component designing, tool making and commercial production
- Strong R&D capabilities with focus on constant innovation and development of new products with superior technologies
- Established Pan-India Distribution network consisting of 90+ Branch Offices, 900+ authorized dealers & 27,000+ retailers
- Experienced management team with more than 20 years of industry experience
- Established relationships with Power Utilities, Government Agencies and Institutional customers
- Strong pre-qualification credentials creating significant entry barriers in the metering and switchgear businesses

FINANCIAL PERFORMANCE

- Consolidated Revenue, EBITDA and PAT were Rs 1,158.5 cr, Rs 133.5 cr and Rs 32.7 cr respectively in FY19
- EBITDA Margin improved to 11.5% in FY19 compared to 10.6% in FY18
- Steady balance sheet with D:E ratio of 0.69x as of Mar-19

WIDE-RANGING PRODUCT PORTFOLIO



HPL is the “ONE-STOP SHOP” for Low Voltage Electrical Equipments across market segments and price ranges

HPL’s complementary product offerings enable cross-selling and lead to **STRONG BRAND RECALL**

With a large product portfolio, HPL is at forefront to capture **GROWTH OPPORTUNITY**

**PRODUCT
PORTFOLIO**

**SUB-
BRANDS**

CUSTOMERS

Metering Solutions

Smart Meter



Net Meter



Prepaid Meter



Trivector Meter



emfis

Switchgears

Industrial Applications

ACB

MCCB

Phase Selector



Domestic Applications

Osafé
MCB

Techno
MCB

RCCB



Modular Switch & Accessories

Toggle
Switches

Plug
Sockets

Push Bells



TAB™ **intelliPROTECT**

intelliCONTROL

Osafé
MCB | DB | RCCB

Lighting Equipment

Consumer LED Products

Aries LED

LED Glow 9W



Commercial LED Products

Mitered

CRCA Panel



Outdoor LED Products

Street
Light

LED
Flood Light



Pathlite

smART
ART MEETS STATE-OF-THE-ART

Wires and Cables

Fire Resistant Cables



Co-axial Cables



Solar Cables



Networking & Data Cables



Power Utilities

Public & Private Enterprises

Residential & Commercial Users

STRONG R&D THRUST – CONTINUOUS TECHNOLOGY UPGRADATION



FOCUS ON CONTINUOUS R&D TO LAUNCH AND MARKET EXCITING NEW INNOVATIVE PRODUCTS LOADED WITH IMPROVED FEATURES, ENERGY EFFICIENCY, AUTOMATION AND COMMUNICATION



IN-HOUSE R&D CAPABILITIES:

- 2 R&D facilities in Gurgaon & Kundli with more than 100 engineers
- 1 Testing facility in Gurgaon – NABL accredited and ISO/IEC 17025:2005 compliant
- 2 Tool Rooms for rapid prototyping & component designing for complete range of MCBs, MCCBs, meters, changeover switches, switch fuse units, LED lamps and CFLs



SOLAR ELECTRICAL PRODUCTS

HPL has developed a complete range of solar solutions across meters, switchgears, lighting and wires & cables

Metering Solutions

Solar Net Meter



Lighting Equipment

Solar Batten



Solar LED Street Light



Solar LED Bulb



Switchgears

Solar AC Distribution Box



Solar DC Distribution Box



Solar Main Junction Box



Solar Array Junction Box



Wires and Cables

Solar Cables



STATE OF ART MANUFACTURING FACILITIES



GURGAON



Gurgaon Facility I:

- **Products:** Electronic static energy meters
- **Capacity:** 6 Million Units

Gurgaon Facility II:

- **Products:** Parts/components of lighting equipment (CFL & LED), electronic energy meters
- **Capacity:** 15 Million Parts/ Components

JABLI



Facility I:

- **Products:** MCBs, distribution boards and panels, MCB isolators, MCB changeover switches, earth leakage circuit breaker and switches, energy meters and parts of lighting equipment
- **Capacity:** 11.5 Million Units

Himachal Energy Facility:

- **Products:** electronic energy meters, panel meters and clips for panel meters
- **Capacity:** 3 Million Units



STATE OF ART MANUFACTURING FACILITIES



KUNDLI



Facility I:

- **Products:** Switchgears and parts of electronic energy meters and parts of lighting equipment
- **Capacity:** 5 Million Units

Facility II:

- **Products:** Lighting equipment
- **Capacity:** 26 Million Units

GHARAUNDA



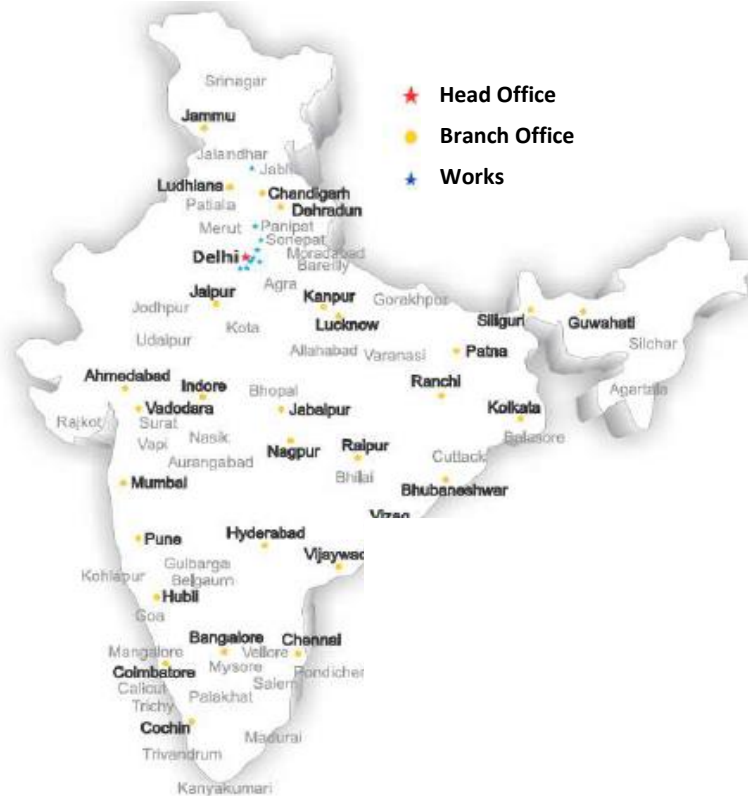
- **Products:** Wires and Cables
- **Capacity:** 194.4 Mn meters

QUALITY & COMPLIANCE CERTIFICATIONS



ISO-27001:2005

ESTABLISHED PAN-INDIA DISTRIBUTION NETWORK & BRAND PRESENCE



**ESTABLISHED PAN-INDIA DISTRIBUTION NETWORK
& BRAND PRESENCE
TO CAPTURE SIGNIFICANT GROWTH POTENTIAL IN
ELECTRICAL EQUIPMENT INDUSTRY**

**90+ Branch Offices
21 Warehouses across India**

**900+ Authorized Dealers and
27,000+ Retailers**

**Carrying and forwarding agents model for
sale and supply through authorized dealers**

**620+ full time employees responsible for promotional
and brand building activities for our products**

EXTENSIVE EXPERIENCE, ESTABLISHED RELATIONSHIPS, STRONG CREDENTIALS



**STRONG EXECUTION, ESTABLISHED RELATIONSHIPS AND STRONG PRE-QUALIFICATION CREDENTIALS
MAKE HPL A PREFERRED SUPPLIER OF THE SPECIALISED ELECTRICAL EQUIPMENTS**



EXTENSIVE EXPERIENCE

- Strong Promoter pedigree with more than 40 years of experience
- More than 20 years of average experience of senior management team
- Strong R&D and manufacturing capabilities



ESTABLISHED RELATIONSHIPS

- Established relationships with Institutional customers, Power Utilities and Governmental Agencies across India
- HPL has created formidable entry barriers in technologically advanced products like Metering and Switchgear businesses

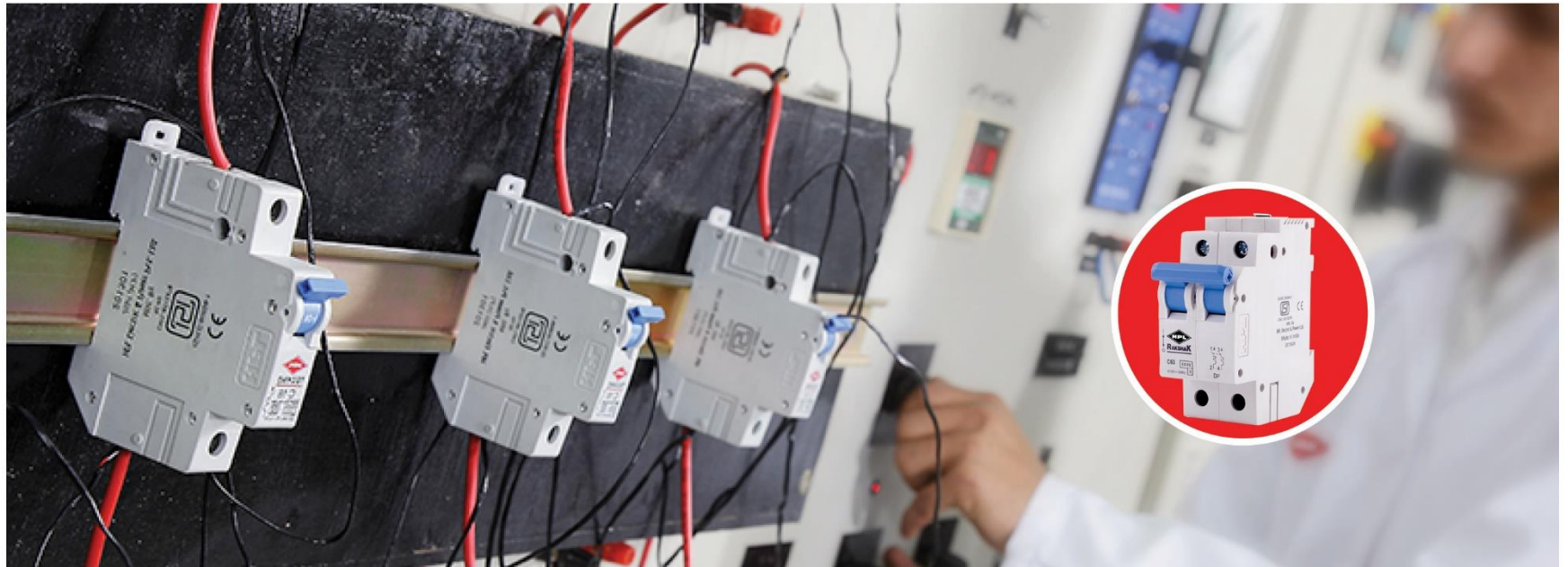


STRONG PRE-QUALIFICATION CREDENTIALS

- HPL works with Power Utilities and Government Agencies pursuant to direct contractual arrangements, obtained through a bidding process, requiring certain pre-qualification requirements
- HPL meets all pre-qualification credentials including past experience, technical requirements, quality and safety compliances, financial strength, price competitiveness



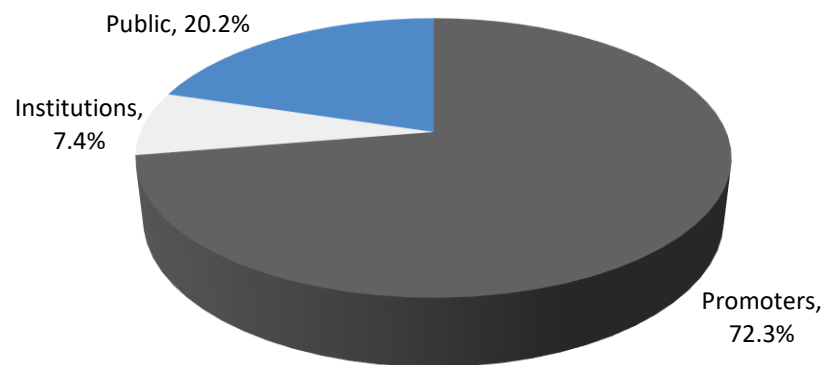
SHAREHOLDING STRUCTURE



SHAREHOLDING STRUCTURE



SHAREHOLDING – 30th Sep 2019



Source – BSE

KEY INVESTORS – 30th SEP 2019

% Holding

HDFC AMC	6.03%
EQ India Fund	1.18%

Source – BSE

FOR FURTHER QUERIES:



Mr. Gautam Seth
Joint Managing Director
Email: gautamseth@hplindia.com



Mr. Mandar Kapse / Vikash Varma
IR Consultants
Email: hpl@dickensonworld.com
Contact no: +91 9867550004 / 9664009029