



PG ELECTROPLAST LIMITED

CIN-L32109DL2003PLC119416

Corporate Office :

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13th November, 2018

To,
The Manager (Listing)
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

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

Scrip Code: 533581

Scrip Symbol: PGEL

By means of BSE Listing Centre

By means of NEAPS

Dear Sir,

Sub: Investor Presentation

We enclose a copy of Investor Presentation on Un-audited Financial Results of the Company for quarter and half year ended September 30, 2018.

This is for your information and record please.

Thanking you,

For **PG Electroplast Limited**


(Sanchay Dubey)
Company Secretary



■ **Registered Office**
DTJ-209, Second Floor
DLF Tower-B, Jasola
New Delhi-110025
Tele-Fax # 011-41421439

PG ELECTROPLAST LIMITED

Q2 FY19 UPDATE

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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.

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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 Yr 2011.

Introduction – PG Group presence

Presence in Different Fields

PLASTIC MOLDING FOR CONSUMER
DURABLES & AUTOMOTIVE PARTS



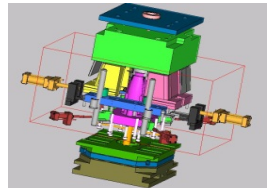
FINAL ASSEMBLY OF AIR COOLERS,
WASHING MACHINE, LED TV, STBs



PRINTED CIRCUIT BOARD ASSEMBLIES

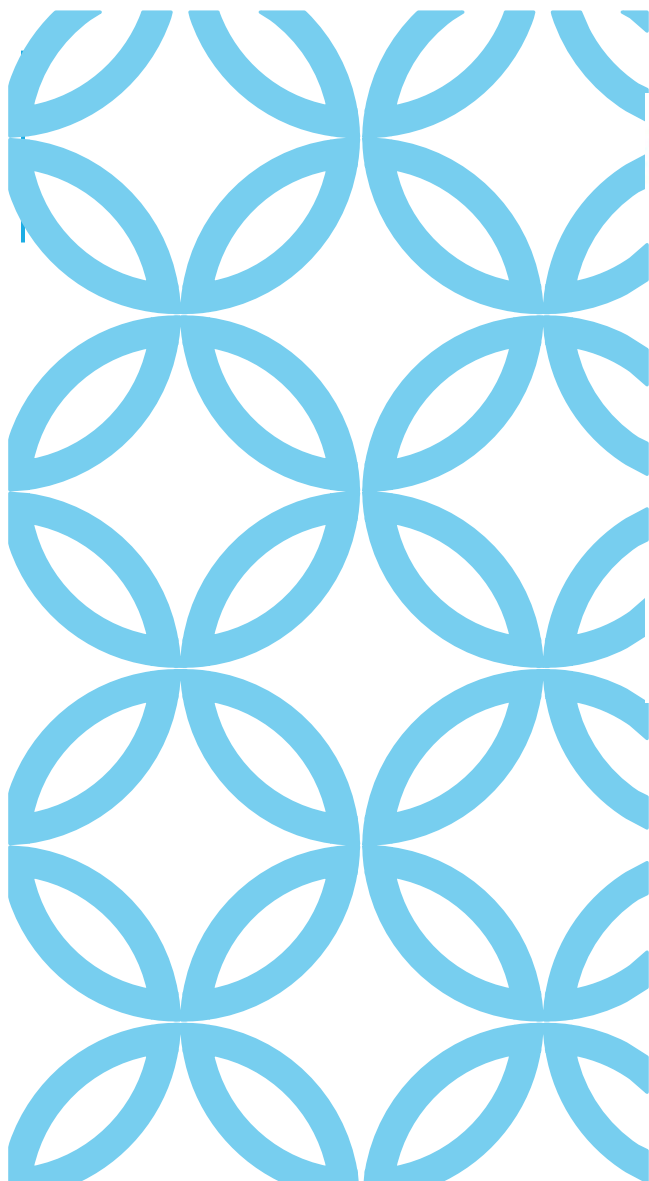


PLASTIC INJECTION TOOL DESIGNING
AND MANUFACTURING



MOBILE PHONE ASSEMBLY





Introduction - Customer list



Unilever



1H-2019 Profit & Loss Highlights

(₹ million)	Q2 FY2018	Q1 FY2019	Q2 FY2019	Growth (%)		H1 FY2018	H1 FY2019	Growth (%) YoY
				Q-o-Q	Y-o-Y			
Revenue	912.2	1169.0	1162.8	-0.5%	27.5%	2034	2331.8	14.7%
EBITDA	83.4	81.0	69.7	-14.0%	-16.4%	165.5	150.7	-9.0%
Net Profit	20.2	27.5	11.8	-57.1%	-41.6%	41.8	39.4	-5.8%
Diluted EPS (Rs.)	1.23	1.68	0.72	-57.1%	-41.6%	2.54	2.40	-5.8%

- 1H Revenue growth is 15% due to new initiatives.
- EBITDA growth impacted due to start-up costs of new initiatives, volatile currency and raw material movement.
- PAT declined marginally by 6% in 1HFY19.

1H-2019 Balance Sheet

A. EQUITY AND LIABILITIES	As at 30.09.208	As at 31.03.2018	B ASSETS	As at 30.09.2018	As at 31.03.2018
(a) Share capital	164.1	164.1	(a) Fixed assets	1,881.8	1,785.2
(b) Reserves and surplus	1,185.8	1,144.1	(b) Capital work in progress	233.1	229.4
Sub-Total - Shareholders' Funds	1,349.9	1,308.2	(c) Other Financial Assets	66.1	49.6
(a) Long-term borrowings	766.8	795.8	(d) Other non-current assets	49.6	50.2
(b) Long-term provisions	34.6	33.1	Sub-Total - Non-Current Assets	2,230.6	2,114.3
Sub-Total - Non-Current Liabilities	801.4	828.9	(a) Inventories	642.8	593.1
(a) Short-term borrowings	542.2	356.0	(b) Trade receivables	673.3	507.1
(b) Trade payables	784.6	649.5	(c) Cash and cash equivalents	29.9	41.3
(c) Other current liabilities	308.2	329.2	(d) Short-term loans and advances	181.2	182.2
(d) Short-term provisions	10.4	8.7	(e) Other current assets	38.9	42.6
Sub-Total - Current Liabilities	1,645.4	1,343.4	Sub-Total - Current Assets	1,566.1	1,366.2
TOTAL - EQUITY AND LIABILITIES	3,796.7	3,480.5	TOTAL-ASSETS	3,796.7	3,480.5

- Conscious efforts are being made to control Inventories and receivable. Working capital management improvement remains focus area.
- However, due to several new product lines ramping up in 1H2019, the working capital has increased temporarily.

Financial Metrics

Key Ratios	Q2 FY2018	Q1 FY2019	Q2 FY2019	1H 2018	1H 2019	FY18
EBITDA Margin (%)	9.1%	6.9%	6.0%	8.1%	6.5%	7.4%
Effective Tax Rate (%)	24.4%	0.0%	0.0%	17.6%	0.0%	0.00%
Net Profit Margin (%)	2.2%	2.4%	1.0%	2.1%	1.7%	1.8%
ROCE (%)	6.4%	6.0%	4.5%	6.4%	4.5%	6.9%
DSO (Days)	53	49	53	53	53	46

- Start-up costs of new initiatives, Volatile forex and raw material prices have impacted EBITDA margins in 1H2019.
- Return ratios are impacted due to higher working capital days and lower profitability due to margin pressure.

Major Highlights of 1H2019

- 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 response.
- Company continues to invest in the ODM business model and has developed second model of semi-automatic washing machine. The commercial production will start in coming months.
- 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 1HFY19, impacting the sales. Also provision for doubtful interest on ICD has impacted the profitability in the period under review.
- Overall 1H2019 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 Managements 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 Air conditioners, Air coolers and Washing machines.
- Tough market conditions led to financial constraints in the past few years and this has led to limited Investment for growth.
- However, now with growing opportunities, improving operational efficiencies and lower financial cost 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 and new model in washing machine, 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:
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