



PG ELECTROPLAST LIMITED

CIN-L32109DL2003PLC119416

Corporate Office :

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November 14, 2019

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 Unaudited Financial Results of the Company for quarter and half year ended on September 30, 2019.

This is for your information and record please.

Thanking you,

For **PG Electroplast Limited**


(Sanchay Dubey)
Company Secretary



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



PG ELECTROPLAST LIMITED

Q2 FY20 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



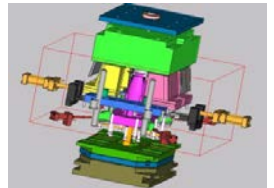
FINAL ASSEMBLY OF AIR COOLERS,
WASHING MACHINE, IDUs, STBs



PRINTED CIRCUIT BOARD ASSEMBLIES

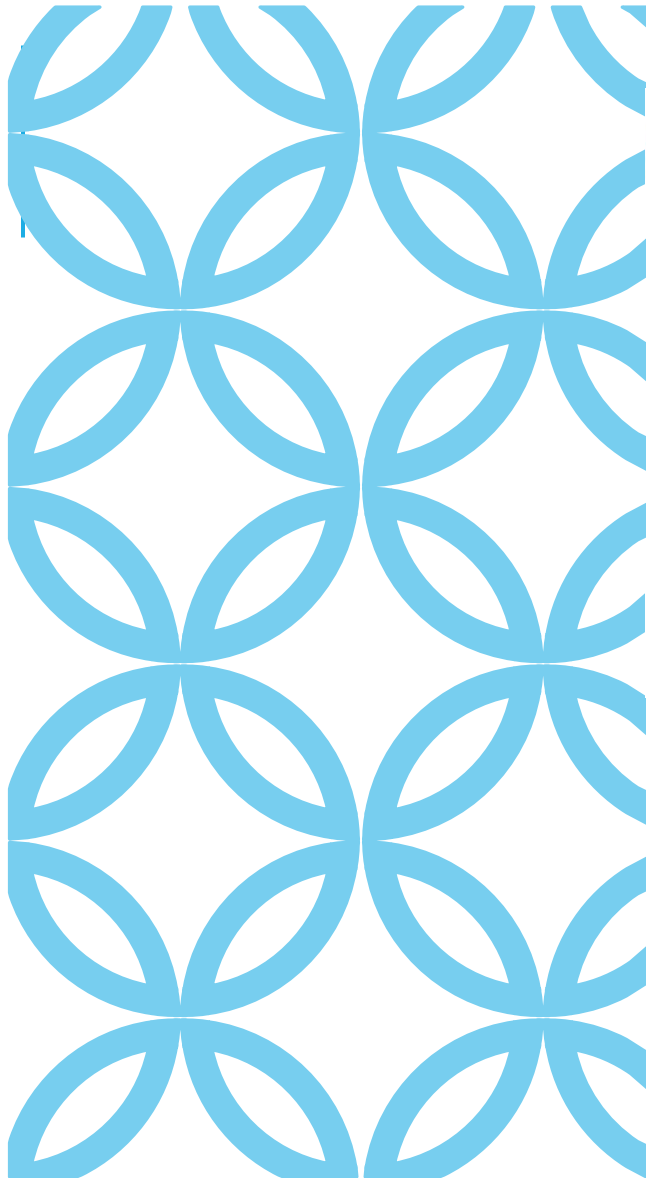


PLASTIC INJECTION TOOL DESIGNING
AND MANUFACTURING



MOBILE PHONE ASSEMBLY





Introduction - Customer list



1H-2020 Profit & Loss Highlights

(₹ million)	Q2 FY2019	Q1 FY2020	Q2 FY2020	Growth (%)		H1 FY2019	H1 FY2020	Growth (%) YoY
				Q-o-Q	Y-o-Y			
Revenue	1162.8	1731.4	1447.5	-16.4%	24.5%	2331.8	3178.9	36.3%
EBITDA	69.7	112.6	87.7	-22.1%	25.9%	150.7	200.3	33.0%
Net Profit	11.8	41.7	7.5	-82.1%	-36.9%	39.4	49.2	24.9%
Diluted EPS (Rs.)	0.72	2.24	0.40	-82.1%	-44.4%	2.40	2.64	9.9%

- 1HFY20 Revenue grew 36% lead by momentum in new initiatives
- EBITDA growth at 33% is impacted due to start-up costs of and fire incident that impacted the washing machine business
- PAT growth of 25% is impacted by higher interest, depreciation and Income Tax

1H-2020 Balance Sheet

A. EQUITY AND LIABILITIES	As at 30.09.2019	As at 31.03.2019	B ASSETS	As at 30.09.2019	As at 31.03.2019
(a) Share capital	186.5	186.5	(a) Fixed assets	2,400.6	2,256.0
(b) Reserves and surplus	1,548.1	1,503.7	(b) Capital work in progress	55.9	52.7
Sub-Total - Shareholders' Funds	1,734.7	1,690.2	(c) Other Financial Assets	20.8	23.4
(a) Long-term borrowings	590.7	501.3	(d) Other non-current assets	75.8	20.7
(b) Long-term provisions	51.9	39.8	Sub-Total - Non-Current Assets	2,553.1	2,352.8
Sub-Total - Non-Current Liabilities	642.6	541.2	(a) Inventories	595.0	682.5
(a) Short-term borrowings	832.0	681.3	(b) Trade receivables	777.7	847.1
(b) Trade payables	716.5	915.0	(c) Cash and cash equivalents	84.9	63.7
(c) Other current liabilities	397.1	286.4	(d) Short-term loans and advances	104.1	21.5
(d) Short-term provisions	8.2	14.90	(e) Other current assets	216.3	161.4
Sub-Total - Current Liabilities	1,953.8	1,897.6	Sub-Total - Current Assets	1,778.0	1,776.2
TOTAL - EQUITY AND LIABILITIES	4,331.1	4,129.0	TOTAL-ASSETS	4,331.1	4,129.0

- Inventories and receivable are under control and working capital management improvement remains focus area for the Management
- However, due to new product lines ramping up the working capital keeps fluctuating and could be volatile this fiscal

Financial Metrics

Key Ratios	Q2 FY2019	Q1 FY2020	Q2 FY2020	1H 2019	1H 2020	FY19
EBITDA Margin (%)	6.0%	6.5%	6.1%	6.5%	6.3%	6.6%
Effective Tax Rate (%)	0.0%	0.0%	52.1%	0.0%	14.2%	2.1%
Net Profit Margin (%)	1.0%	2.4%	0.5%	1.7%	1.5%	1.9%
ROCE (%)	4.6%	13.4%	7.8%	4.6%	7.8%	9.4%
DSO (Days)	53	50	48	53	48	60

- Start-up costs of new initiatives and fire incident related costs impacted EBITDA margins in 1H2019
- Return ratios are impacted due to lower profitability in 2QFY20
- However 2HFY20 is likely to see improvement as cost related to ramp up stabilise and scale benefits start accruing

Major Highlights of 1H2020

- Company's washing machine platforms under ODM model had a good season in 1H2020 despite fire incident impacting the production ramp-up. During the quarter, several marquee OEM clients have been added for the exiting platforms.
- Company continues to invest in the ODM business model and is planning development of more models in washing machines. Also a new factory in Roorkee is being planned for Washing machine production for next fiscal.
- The new expansion for Room AC IDU business is almost complete and trial production is underway. Company expects to see commercial production of the same in coming months.
- Overall 1H2020 has panned out satisfactorily as despite fire incident, company has been able to see a good sales and EBITDA growth.

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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