PG ELECTROPLAST LIMITED

Q3 FY18 UPDATE

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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

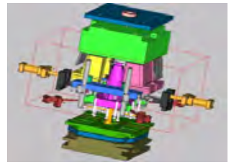
Presence in Different Fields

- PLASTIC MOLDING FOR CONSUMER DURABLES & AUTOMOTIVE PARTS

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

- PRINTED CIRCUIT BOARD ASSEMBLIES

- PLASTIC INJECTION TOOL DESIGING AND MANUFACTURING



- MOBILE PHONE ASSEMBLY

Introduction - Customer list

PG

LG
Whirlpool CORPORATION
Salcomp
SAMSUNG

Carrier
KOHLER
SHARP
Unilever

Midea
LAVA
Jaquar

HAVELLS
Panasonic
Godrej
ONIDA

orient electric
INTEX
KENSTAR
GROUPE SEB

ABB
VOLTAS
VIDEOCON Experience change

SPARK MINDA ASHOK MINDA GROUP
SPARK MINDA VAST MINDA VAST ACCESS SYSTEMS
AN INDO ITALIAN JV SPARK MINDA SILCA YOUR PARTNER IN KEY SOLUTIONS
ITW

SMR Samvardhana Motherson Reflectec
(A CMM Level 5 Company)
BRIGHT AUTOPLAST

9MFY 2018 Profit & Loss Highlights

(₹ million)	Q3 FY2017	Q2 FY2018	Q3 FY2018	Growth (%) Q-o-Q	Growth (%) Y-o-Y	9M FY2017	9M FY2018	Growth (%) YoY
Revenue	727.5	912.2	834.9	(8.5)%	14.8%	2,486.8	2,868.5	15.4%
EBITDA	54.2	83.4	66.4	(20.3)%	22.5%	162.6	231.9	42.6%
Net Profit	2.9	20.2	4.8	(76.4)%	64.6%	14.6	46.6	218.3%
Diluted EPS (Rs.)	0.18	1.23	0.29	(76.4)%	64.6%	0.89	2.84	218.3%

- 9M Revenue growth is 15% despite GST impact
- Robust EBITDA growth of 42.6% in 9M2018
- PAT growth of 218.3% in 9M 2018

9M FY2018 Balance Sheet

A. EQUITY AND LIABILITIES	As at 30.09.2017	As at 31.03.2017	B ASSETS	As at 30.09.2017	As at 31.03.2017
(a) Share capital	164.1	164.1	(a) Fixed assets	1,784.3	1,654.6
(b) Reserves and surplus	1,119.5	1,067.7	(b) Deferred tax assets (net)	8.0	8.0
Sub-Total - Shareholders' Funds	1,283.6	**1,231.8**	(c) Other Financial Assets	0.7	14.5
(a) Long-term borrowings	608.6	484.3	(d) Other non-current assets	173.7	63.2
(b) Long-term provisions	26.4	20.8	**Sub-Total - Non-Current Assets**	1,966.6	**1,740.3**
Sub-Total - Non-Current Liabilities	635.0	**505.2**	(a) Inventories	591.0	631.3
(a) Short-term borrowings	392.3	477.3	(b) Trade receivables	469.2	674.9
(b) Trade payables	552.3	744.5	(c) Cash and cash equivalents	32.3	42.2
(c)Other current liabilities	417.6	334.0	(d) Short-term loans and advances	200.8	49.4
(d) Short-term provisions	16.8	6.7	(e) Other current assets	37.6	161.5
Sub-Total - Current Liabilities	1,379.0	**1,562.6**	**Sub-Total - Current Assets**	1,331.0	**1,559.3**
TOTAL - EQUITY AND LIABILITIES	3,297.6	**3,299.6**	**TOTAL-ASSETS**	3,297.6	**3,299.6**

- Working capital management remains the focus area of the company
- Balance sheet is further strengthened – Promoters extended Rs160mn Interest free loan to the company in January

Financial Metrics

Key Ratios	Q3 FY2017	Q2 FY2018	Q3 FY2018	9M FY2017	9M FY2018	FY16	FY17
EBITDA Margin (%)	7.5%	9.1%	8.0%	6.5%	8.1%	6.9%	5..9%
Effective Tax Rate (%)	0.0%	24.4%	2.2%	0.0%	16.2%	0.0%	0.0%
Net Profit Margin (%)	0.4%	2.2%	0.6%	0.6%	1.6%	0.7%	1.0%
ROCE (%)	5.1%	11.5%	6.8%	5.1%	6.8%	5.6%	6.3%
DSO (Days)	38	61	45	38	45	76	67

- Improving business mix and operating leverage is leading to EBITDA margins improvement
- Ramp up in the business with improving profitability will help the Return ratios

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 leader 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:
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