



# PG ELECTROPLAST LIMITED

Q4 FY18 UPDATE

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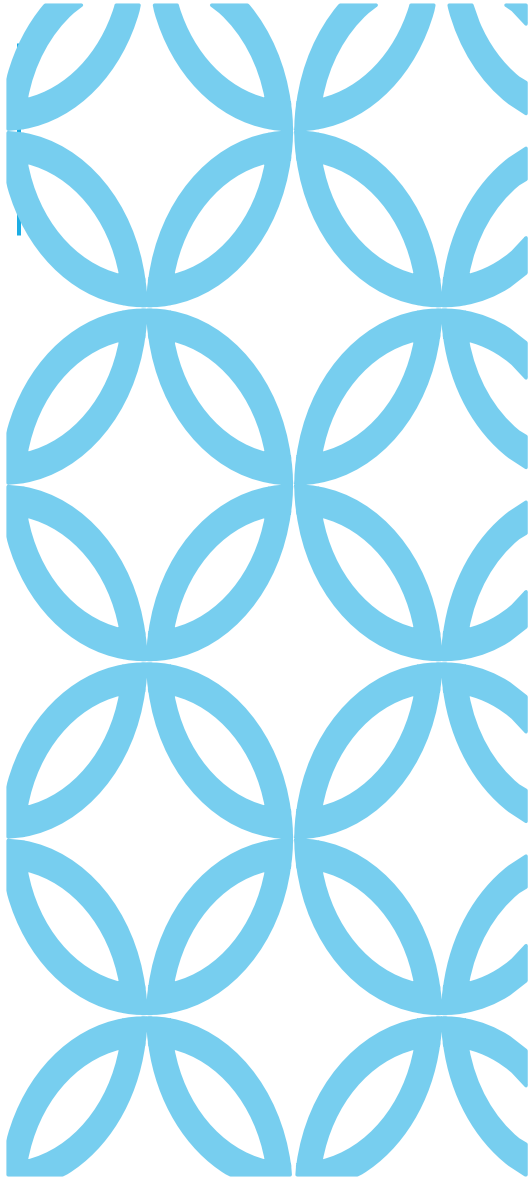
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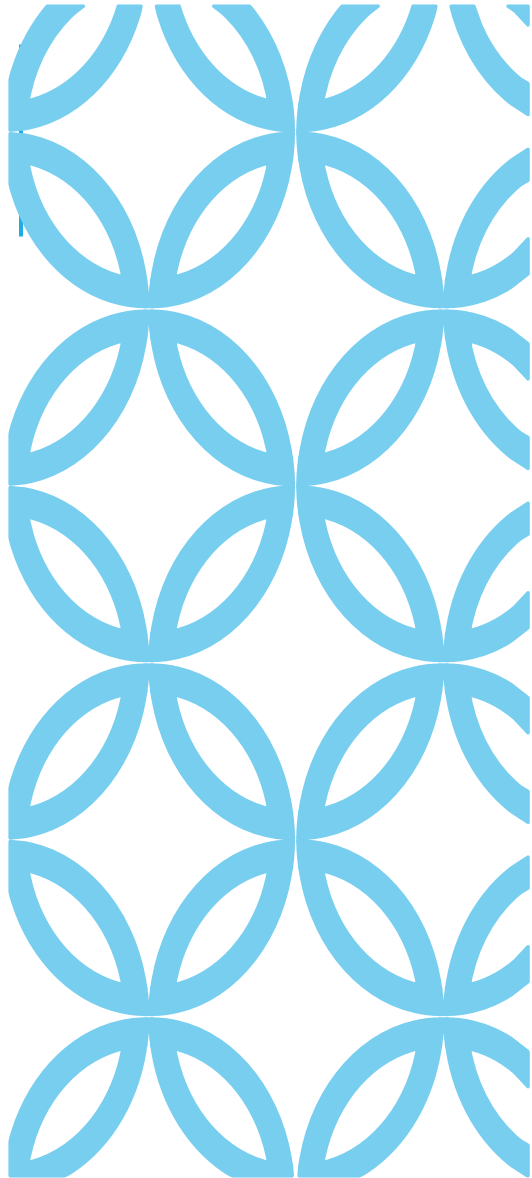
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## Introduction

- 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 Year 2011.



# Introduction – PG Group presence




## Presence in Different Fields

PLASTIC MOLDING FOR CO  
DURABLES & AUTOMOTIV



FINAL ASSEMBLY OF AIR C  
WASHING MACHINE, LED



PRINTED CIRCUIT BOARD A

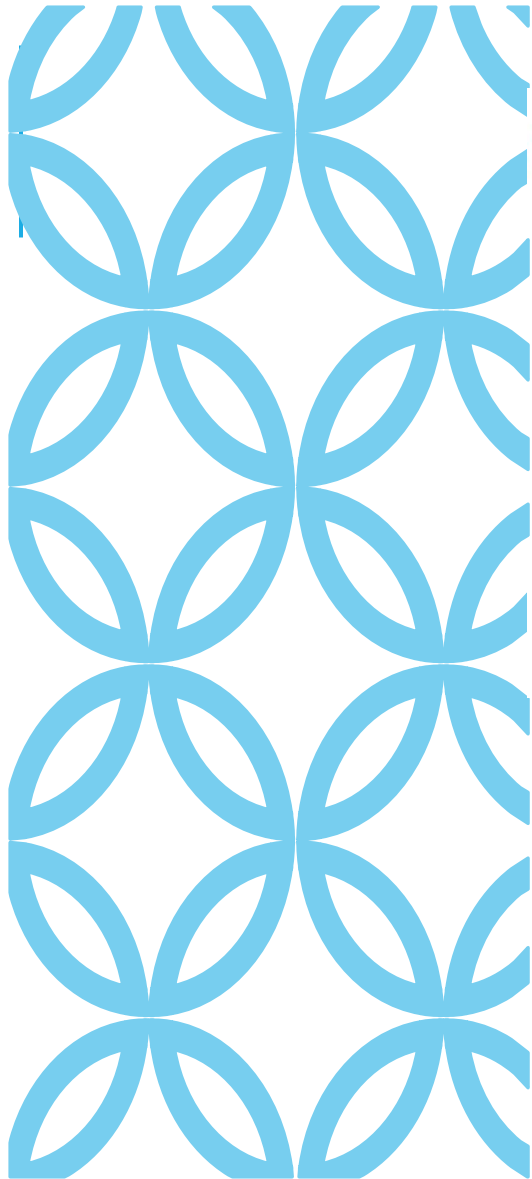


PLASTIC INJECTION TOOL  
AND MANUFACTURING



MOBILE PHONE ASSEMB





# Introduction- Customer list



Unilever



HAVELLS

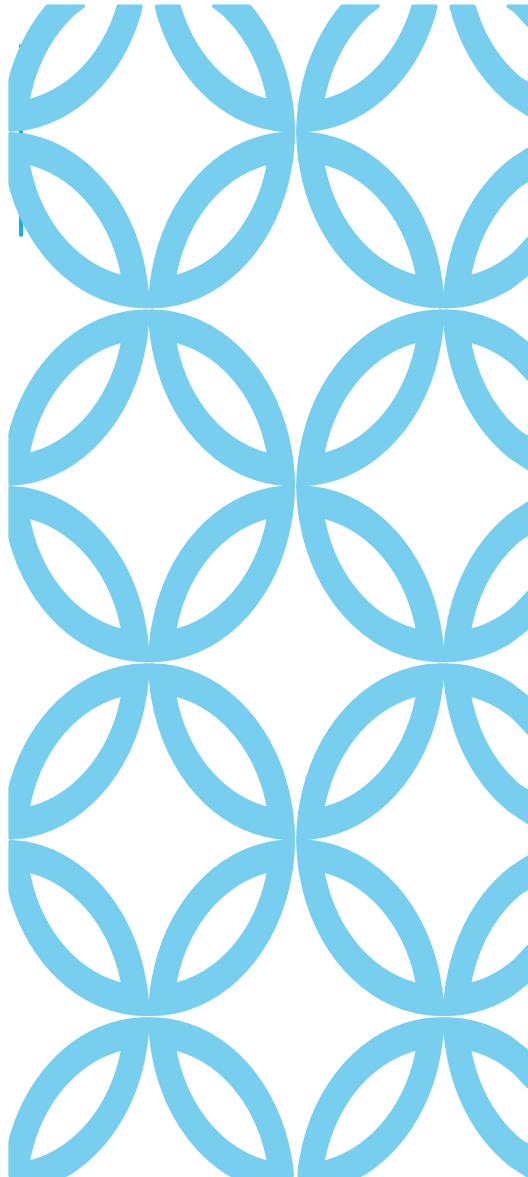


# 12MFY 2018 Profit & Loss Highlights

(₹ million)	Q4	Q3	Q4	Growth (%)		12M	12M	Growth (%) YoY
	FY2017	FY2018	FY2018	Q-o-Q	Y-o-Y	FY2017	FY2018	
Revenue	1,208.1	834.9	1,178.8	41.2%	(2.4)%	3,694.8	4,047.3	9.5%
EBITDA	75.8	66.4	66.7	0.4%	(12.0)%	238.4	298.7	25.3%
Net Profit	18.9	4.8	28.3	491.2%	49.8%	33.6	74.9	122.7%
Diluted EPS (Rs.)	1.15	0.29	1.72	491.2%	49.8%	2.05	4.56	122.7%

- 4Q results impacted due to slower onset of summer impacting demand for ACs and coolers.
- 12M Revenue growth is 9.5% despite GST impact and slower 4Q.
- Robust EBITDA growth of 25.3% in 12M2018.
- PAT growth of 122.7% in 12M2018.

# 12M FY2018 Balance Sheet

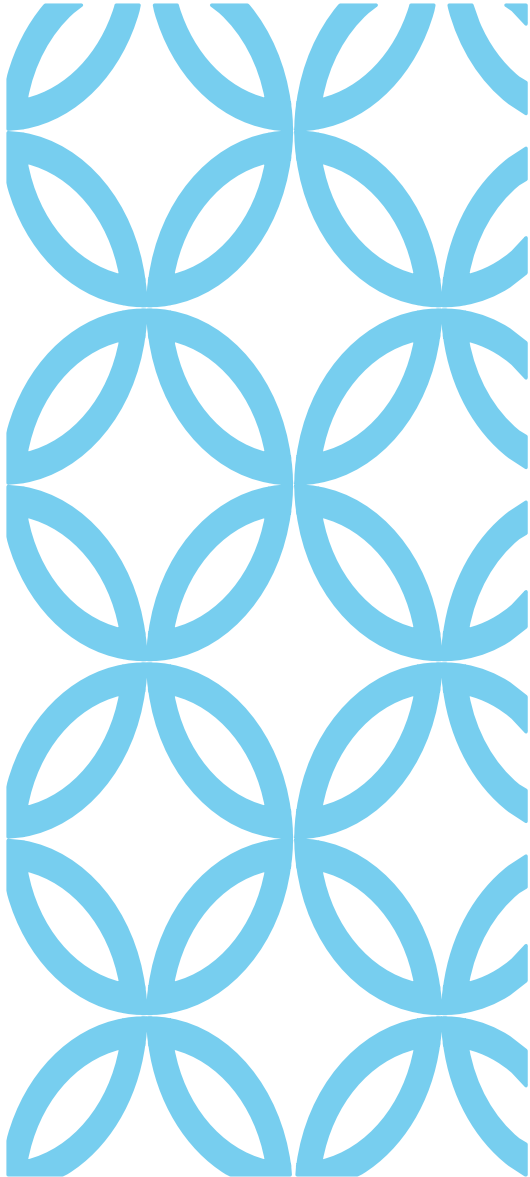


<b>A. EQUITY AND LIABILITIES</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2018</b>	<b>B ASSETS</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2018</b>
(a) Share capital	164.1	164.1	(a) Fixed assets	1,619.7	1,785.2
(b) Reserves and surplus	1,067.5	1,144.1	(b) Capital Work in Progress	27.2	229.4
<b>Sub-Total - Shareholders' Funds</b>	<b>1,231.7</b>	<b>1,308.2</b>	(c) Other Financial Assets	14.5	22.8
(a) Long-term borrowings	484.3	795.8	(d) Other non-current assets	64.2	77.0
(b) Long-term provisions	21.4	33.1	<b>Sub-Total - Non-Current Assets</b>	<b>1,725.6</b>	<b>2,114.3</b>
<b>Sub-Total - Non-Current Liabilities</b>	<b>505.8</b>	<b>828.9</b>	(a) Inventories	631.3	593.1
(a) Short-term borrowings	477.3	356.0	(b) Trade receivables	674.9	507.1
(b) Trade payables	744.5	649.5	(c) Cash and cash equivalents	42.2	41.3
(c) Other current liabilities	333.4	329.2	(d) Short-term loans and advances	2.2	1.8
(d) Short-term provisions	6.7	8.7	(e) Other current assets	223.3	223.0
<b>Sub-Total - Current Liabilities</b>	<b>1,562.0</b>	<b>1,343.4</b>	<b>Sub-Total - Current Assets</b>	<b>1,573.8</b>	<b>1,366.2</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>3,299.4</b>	<b>3,480.5</b>	<b>TOTAL-ASSETS</b>	<b>3,299.4</b>	<b>3,480.5</b>

- Working capital management led to improvement in Inventory and receivable days.
- Balance sheet is further strengthened – Promoters extended Rs160mn Interest free loan to the company in January.



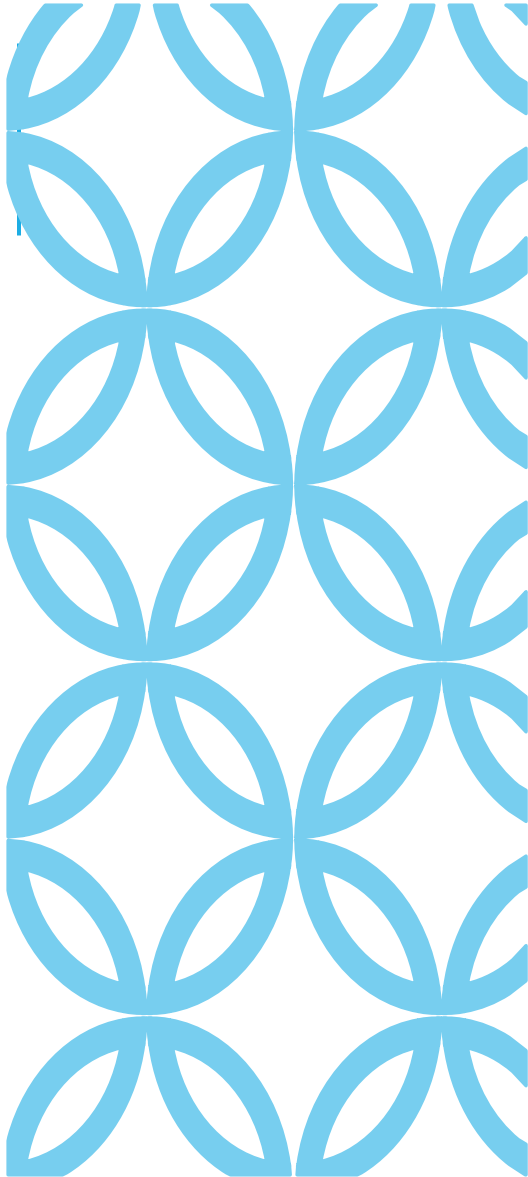
# Financial Metrics



Key Ratios	Q4 FY2017	Q3 FY2018	Q4 FY2018	12M FY2017	12M FY2018
EBITDA Margin (%)	6.3%	8.0%	5.7%	6.5%	7.4%
Effective Tax Rate (%)	0.0%	2.2%	-46.8%	0.0%	0.0%
Net Profit Margin (%)	1.6%	0.6%	2.4%	0.9%	1.9%
ROCE (%)	5.5%	6.8%	6.9%	5.5%	6.9%
DSO (Days)	67	45	46	67	46

- 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.

## Major Highlights of FY2018



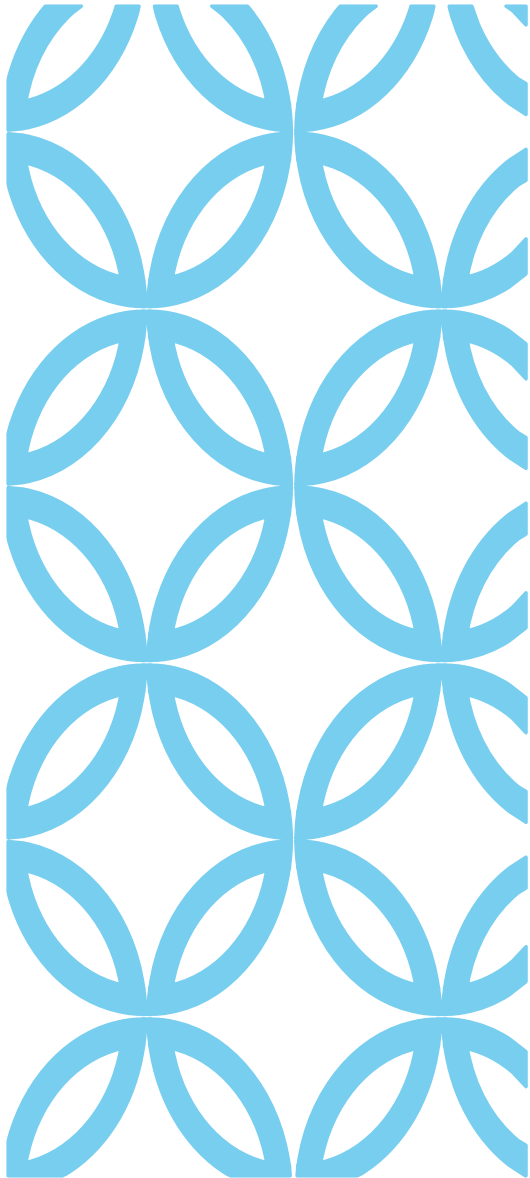
- PGEL has started PU paint shop, which in management opinion will be the major strength and growth driver for the company in coming years
- The Tool room for making moulds was ramped up further during the year, which places company at advantage to the competition.
- UF thermoset moulding seat business was inaugurated during the year and will be ramped up in coming quarters. The technology for the same was sourced from China's Hoti Plumbing.
- Company has developed its washing machine and has commercially launched under ODM model, the initial response has been encouraging and company is expecting good pick up in coming quarters in this segment.
- 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 4Q, impacting the sales. Also start-up costs of new initiatives have impacted the profitability slightly in 4Q
- Overall FY18 was a satisfying year as despite GST and slower 4Q, company has done well in terms of Profits and balance sheet strengthening.

## 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

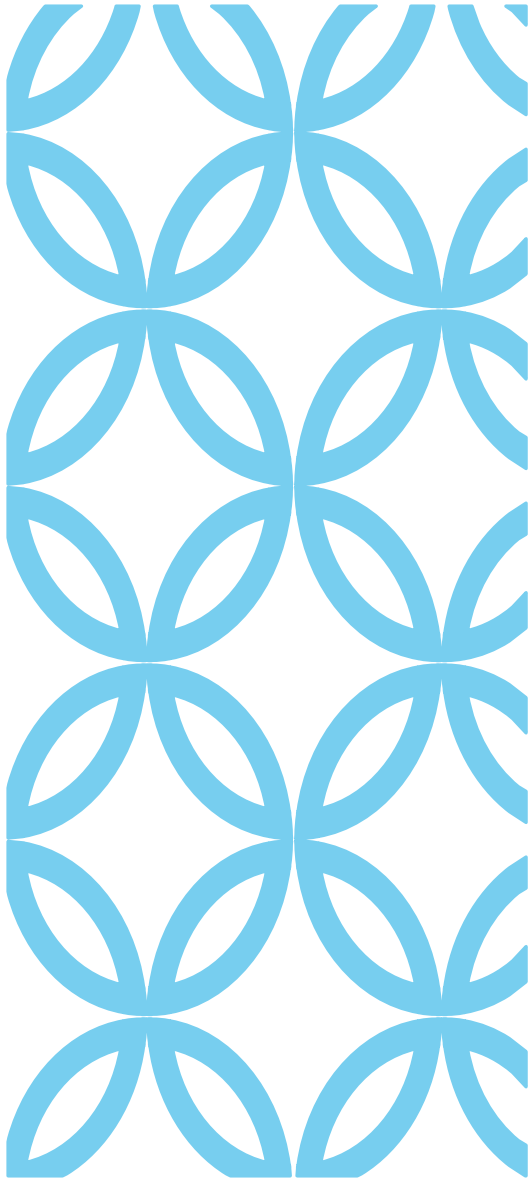
- PG Electronics has been a pioneer in the consumer durables Industry and is seeing large opportunities in plastic moulding in following product categories
  - Washing machines
  - Air conditioner
  - Refrigerators
  - Ceiling Fans
  - Sanitary ware products
- In addition to the above company sees opportunities in ODM space in 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  
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