



**HPL ELECTRIC & POWER
LIMITED**

Q3 & 9MFY23 RESULTS UPDATE

February 2023

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DISCUSSION SUMMARY

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- 23** BUSINESS STRATEGY





Smart Meter



COMPANY OVERVIEW



Trusted Electric Equipment Manufacturer

- 'One-stop shop'
 -
 -
 -
 -
-

Market Leader in Electric Meters & On-load Change-over Switches

- '50% Market Share'
- '20% Market Share'
- '5% Market Share'
- '5th Largest'

Integrated Manufacturing Operations Combined with Strong R&D Capabilities

- 7 state-of-the-art Manufacturing facilities
- 2 R&D centers housing 100+ expert engineers



Established Pan-India Distribution Presence

- Established Pan-India Distribution network consisting of –
 - 90+ Branch & Representative Offices
 - 900+ Authorized Dealers
 - 45,000+ Retailers

Long-standing Customer Relationships, Experienced Leadership Team, and Strong Pre-qualification Credentials

- 45+ year old Established Brand
Retail & Institutional Customers
-
- Strong prequalification credentials

Power Utilities, Government Agencies,



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

Osafe MCB Techno (N) MCB RCCB



Modular Switch & Accessories

Toggle Switches Plug Sockets Push Bells



TAB™ **intelliPROTECT**
intelliCONTROL **Osafe**
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



Pathite
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

STATE OF ART MANUFACTURING FACILITIES



GURUGRAM



Gurugram Facility I:

Gurugram Facility II:

JABLI



Facility I:

Himachal Energy Facility:

| Product Segments | Capacity (per annum) |
|------------------|----------------------|
| | |
| | |
| | |
| | |

KUNDLI



Facility I:

Facility II:

GHARAUNDA



Products:

QUALITY & COMPLIANCE CERTIFICATIONS



CONTINUOUS R&D TO LAUNCH AND MARKET EXCITING NEW INNOVATIVE PRODUCTS



Nepal Electrotech Exhibition

IN-HOUSE R&D CAPABILITIES:

-
-
-

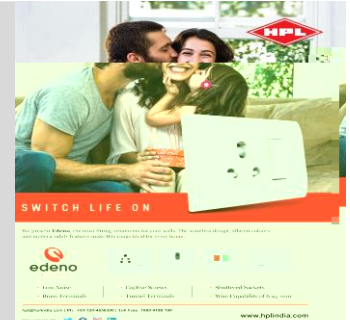
Switchgear



APFC panel



Edeno - New range of Modular Switch



Trade Lighting



LED Candle Clear Lamp



LED Bulb (DOB)

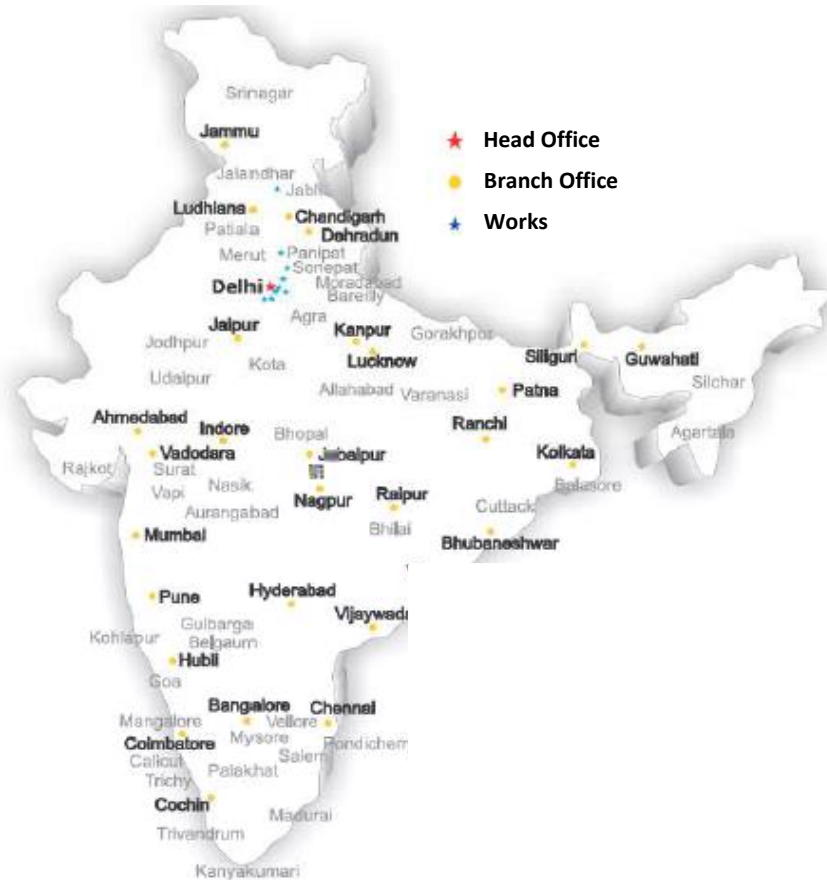


LED Musk 3 in 1 Bulb



Neo Batten in Trade Lighting

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 & Representative Offices
21 Warehouses across India**

**900+ Authorized Dealers and
45,000+ Retailers**

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

**1270+ full time employees responsible for promotional
and brand building activities for our products**



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



EXTENSIVE EXPERIENCE

-
-
-



ESTABLISHED RELATIONSHIPS

-
- *“niche”*
-



STRONG PRE-QUALIFICATION CREDENTIALS

-
-

'ONE-STOP SHOP' OF LOW-VOLTAGE "CONSUMER" ELECTRIC PRODUCTS

-



Smart Modular Switches

**Q3 & 9MFY23 -
PERFORMANCE
UPDATE**





- ❑ The Company registered robust double-digit growth as revenue increased by 30.6% in 9MFY23.
- ❑ EBITDA registered a sharp increase of 41.26% where EBITDA is Rs. 112.3 crores in 9MFY23.
- ❑ Profit Before Tax stood strong at 29.2 crore in 9MFY23.
- ❑ Profit After Tax stood strong at 19.0 crore in 9MFY23.
- ❑ EPS stood at Rs. 2.94 in 9MFY23 as compared to a negative EPS of Rs. -0.89 in 9MFY22.
- ❑ Metering & Systems segment revenue grow by 60% in 9MFY23.
- ❑ Consumer & Industrial segment revenue grows by 8% in 9MFY23.

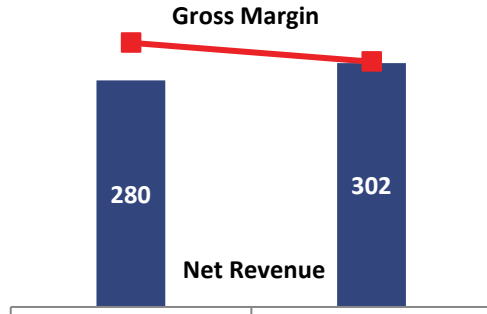


Q3 & 9MFY23 : YoY PERFORMANCE ANALYSIS

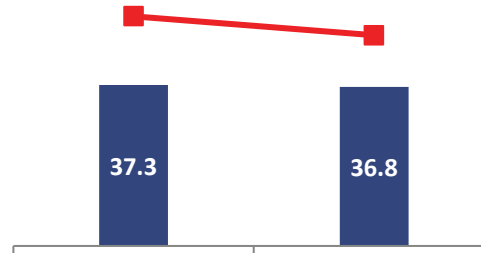


Q3FY23 In Rs Crore

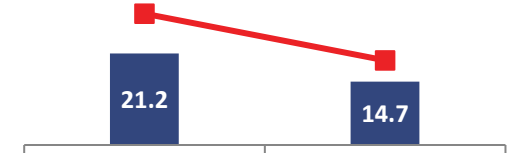
NET REVENUES & GROSS MARGIN %



EBITDA & EBITDA MARGIN %

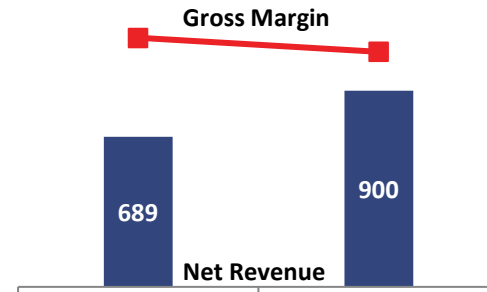


CASH PAT & CASH PAT MARGIN %

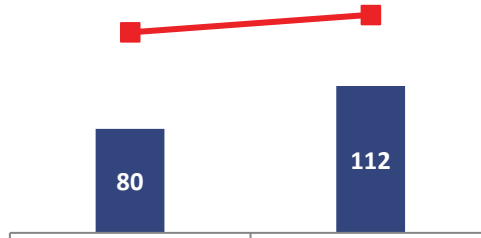


NET REVENUES & GROSS MARGIN %

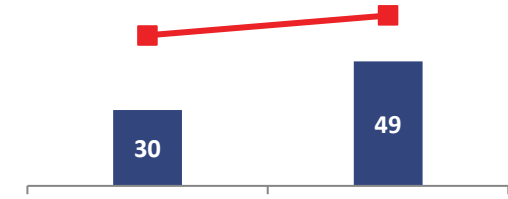
9MFY23



EBITDA & EBITDA MARGIN %



CASH PAT & CASH PAT MARGIN %

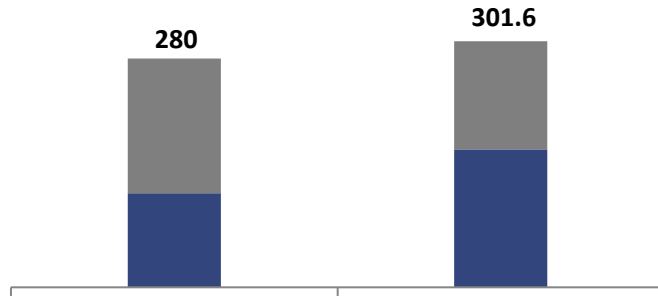


Q3FY23: YoY SEGMENT ANALYSIS



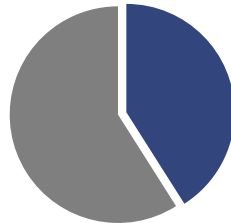
In Rs Crore

SEGMENT NET REVENUE & EBIT MARGIN

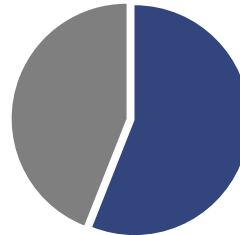


SEGMENT REVENUE SHARE %

Q3 FY22



Q3 FY23

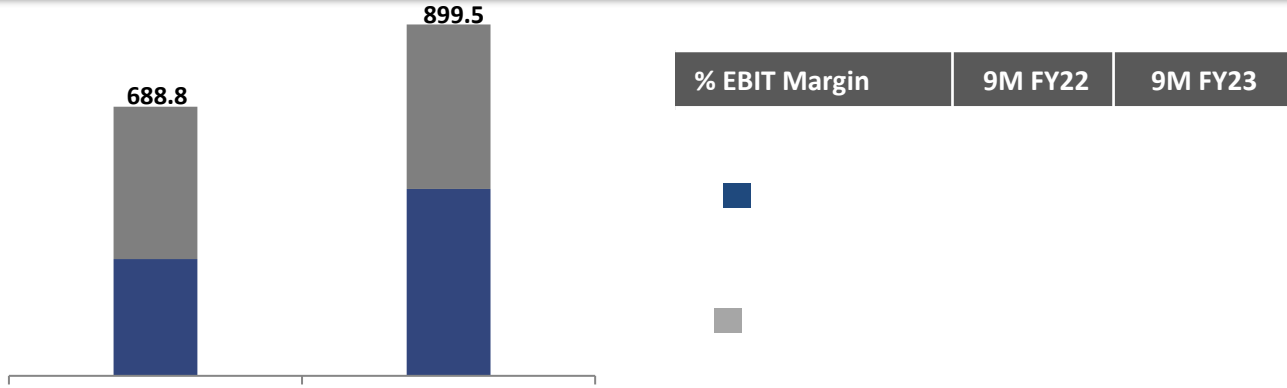


9MFY23 : YoY SEGMENT ANALYSIS

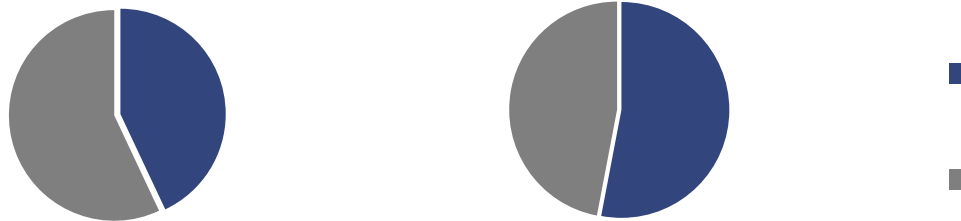


In Rs Crore

SEGMENT NET REVENUE & EBIT MARGIN



SEGMENT REVENUE SHARE %



Q3 & 9MFY23: PERFORMANCE ANALYSIS



Strong Performance in Q3 & 9MFY23 led by robust performance in the metering and systems segment.

-

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-

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Metering & Systems segment reported good year-on-year growth

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-

Consumer & Industrial segment registered robust growth

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-





The company is holding a very strong and stable order book and executing current orders on fast-track mode to maintain a healthy execution of the current pipeline.

The 'Metering & Systems' segment will be the driving growth segment and is anticipated to receive good traction.

Smart Meters will be the next game changer in the growth-building process.



Overall strong order book of ₹ 879 crores ensures revenue visibility for the short and medium term.



Company's growth trajectory is strong, and the Company is confident of driving sustainable growth in future.



HPL's Global Network

HPL orders continues to see good growth of over 20%.

HPL's pending order book gives a good near-term sales visibility in the coming quarters.



HPL's in house R&D strength to enable higher exports.

-
-
-



Nepal Exhibition- Electrotech



Lagos Electrical Contractors Association of Nigeria



CONSOLIDATED PROFIT & LOSS STATEMENT



| Particulars (In Rs. Crore) | Q3 FY23 | Q3 FY22 | YoY% | 9M FY23 | 9M FY22 | QOQ% | FY22 |
|-----------------------------|---------|---------|----------|---------|---------|----------|-------|
| Net Revenue from Operations | 301.6 | 280.0 | | 899.5 | 688.8 | | 1014 |
| Gross Profit | 102.0 | 102.0 | | 303.3 | 246.1 | | 361.3 |
| Gross Margin (%) | 33.8% | 36.4% | -258 bps | 33.7% | 35.7% | -201 bps | 35.6% |
| EBITDA | 36.8 | 37.3 | | 112.3 | 79.5 | | 125.1 |
| EBITDA Margin (%) | 12.2% | 13.3% | -113 bps | 12.5% | 11.5% | 94 bps | 12.3% |
| PBT | 9.8 | 9.3 | | 29.2 | -3.3 | NA | 13.9 |
| | | | NA | | | NA | |
| Reported PAT | 6.4 | 9.3 | -31.4% | 19.0 | -5.7 | NA | 7.8 |
| Cash PAT | 14.7 | 21.2 | -30.5% | 49.0 | 29.8 | 64.5% | 54.9 |
| Cash PAT Margin (%) | 4.9% | 7.6% | -268bps | 5.4% | 4.3% | 112 bps | 0.8% |
| Earnings Per Share (EPS) | 0.99 | 1.44 | -31.3% | 2.94 | -0.89 | NA | 1.21 |



“Garnered Over 20 Million Reach”

Amplified our Brand Presence Through Social Media Handles
Conducted as well as Sponsored various Industrial Webinars and Virtual Exhibitions

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HPL Electric & Power Ltd
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DEALER MEETS & MARKETING ACTIVITY



Electrician Meet, Trichur



Nukkad Meet, Mangrupur



Retailer Meet, Ahmedabad



Nukkad Meet, Sultnapur



Electrician Meet, Cochin





HPL Sponsor at Orissa – Bali Yatra (Chief Guest – Orissa Governor)



HPL was Awarded with the Best Brand by Orissa Governor



SPREADING THE BRAND PRESENCE



Nepal Dealer – Kundli Plant Visit



Bangladesh Dealer Meet



Nepal Exhibition- Electrotech



Product display at MC Polytechnic, Jalandhar



Participated in Northern Central Railway Seminar, Prayagraj



Participated in All India MES Builder Association at Greater Noida





LED Lights



BUSINESS STRATEGY

FUTURE BUSINESS STRATEGY FOR VALUE CREATION



FUTURE BUSINESS STRATEGY

*Leading Electric Meter Manufacturer
Fully Geared To Meet The 'Smart
Meter Opportunity'*

- ✓
- ✓ Well Positioned to Capitalise on the Smart Meter Opportunity backed by our competitive strengths (details given on the next slide)

*Robust Traction in the Consumer
Business to Drive Growth*

- ✓ Drive healthy growth in the Lighting & Switchgear business'
- ✓ 'Thereby helping to generate higher overall ROCE for HPL'

*Sectoral Opportunities to Provide
Growth Momentum*

- ✓
- ✓
- ✓
- ✓

Note:



SMART METERS – “GAMECHANGING INITIATIVE” WITH ENORMOUS POTENTIAL

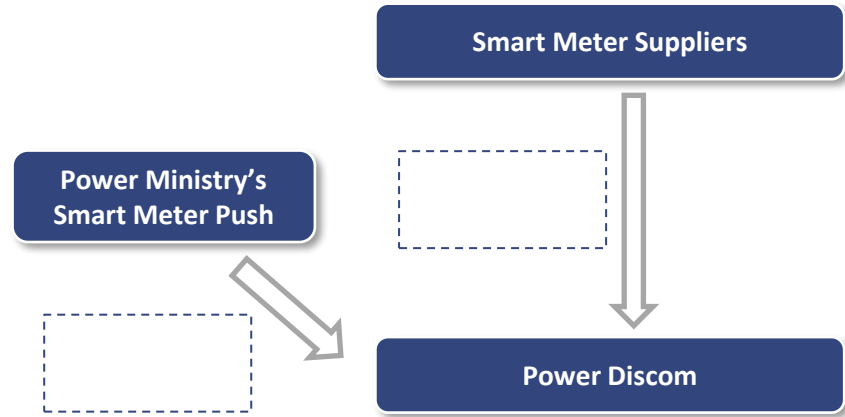


❑ What are smart meters? What is the opportunity size?

-
-
- *which translates into a cumulative opportunity size of Rs 60,000 to Rs 90,000 crore'*

❑ Why should the "Utilities" install smart meters?

-
-



❑ Likely Benefits of the Smart Meter Program for HPL

- ✓ Being a leading player with a successful track record of supplying meters over the last 2 decades, HPL is well positioned to capitalise on the smart meter opportunity
- ✓

HPL's Competitive Edge

- | | |
|---|---|
| <ul style="list-style-type: none"> ✓ Market Leading Player ✓ Comprehensive Product Portfolio ✓ Long-standing Relationships ✓ Strong Pre-qualification Credentials ✓ Strong Thrust on Quality, Product Innovation & Cost Competitiveness | <ul style="list-style-type: none"> ▪ <i>this capacity is fungible and can be used for smart meters as well'</i> ▪ ▪ ▪ ▪ <i>(launched 3 new products in FY21)</i> |
|---|---|



FOCUS ON DRIVING HEALTHY GROWTH IN THE 'CONSUMER' BUSINESS



- ✓ 'Consumer' segment includes Non-utility Metering, Switchgear, Lighting, and Wires & Cables. In FY21, this segment comprised ~63% of the total revenues
- ✓



(see below for details)

- ✓ Since, the Consumer business has shorter working capital cycle of ~3 Months, higher share from this segment will lead to higher ROCE and free cash flow

□ Brand Building Initiatives

-
-
- *'This provides an effective platform to create strong brand visibility in especially in the Tier 2 & 3 towns and rural areas enabling HPL to drive aggressive growth in these regions going ahead'*

□ Continuous Product Development & Innovation

- - Switchgear: over 6'
 - Lighting: 12
- *Most of the new products have received very good dealer response so far*

□ Enhancing Distribution Reach & Relations

- *Expand retailer touch-points by than 3x – from the existing 45,000 retailers to 1,00,000 retailers within next 3 years*
-

Brand Building Initiatives

Product Innovation

Enhancing Distribution Reach & Relations

Driving Healthy Growth in the 'Consumer' Business

- ✓ Lower Overall Working Capital Cycle
- ✓ Higher ROCE





Mr. Gautam Seth

DICKENSON

Mr. Sonam Raghuvanshi

Mr. Chintan Mehta
Director

