

Q3FY20 Earnings Presentation

21 January 2020



9M & Q3 FY20 Performance

Key Highlights

Revenue Growth

Revenue: ▲ 21% 9M-o-9M Q3 vs Q3 ▲ 24% Y-o-Y Q3 vs Q2 ▲ 12% Q-o-Q

Profitability

PAT: ▲ 53% 9M-o-9M ▲ 14% Y-o-Y ▲ 14% Q-o-Q

Returns

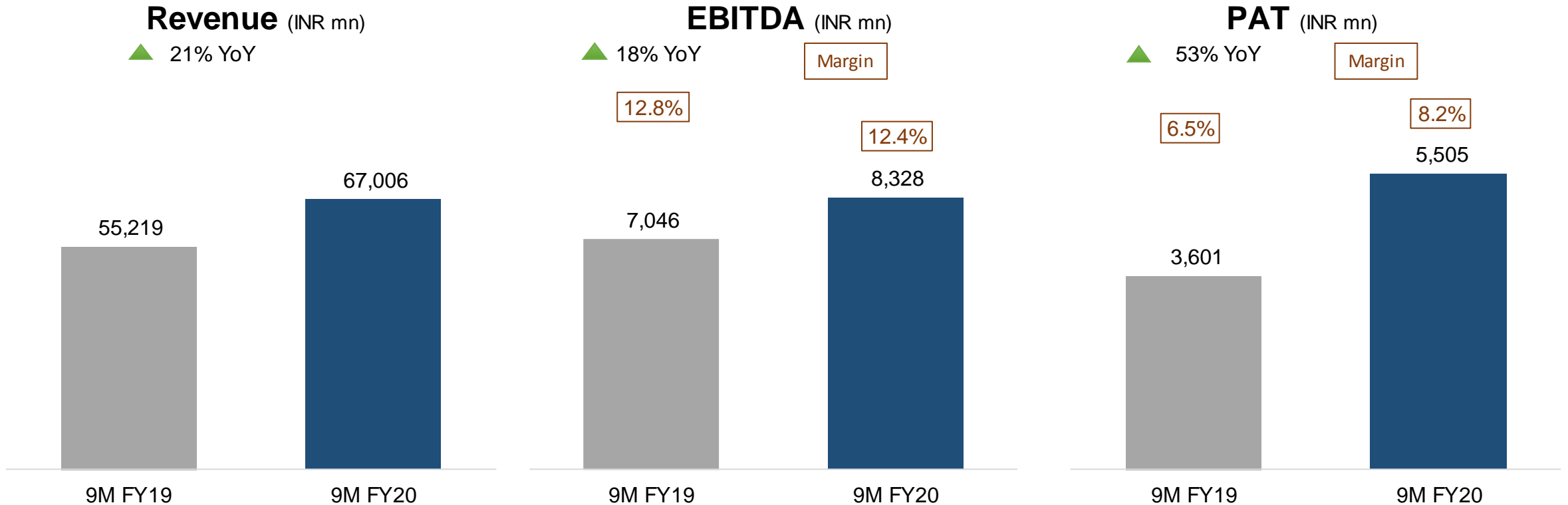
ROCE: ▲ 26.0% 30.6% 30.6%
 ▲ 53bp 9M-o-9M ▼ -612bp Y-o-Y ▲ 431bp Q-o-Q

Balance sheet

as on	Dec'19	Dec'18	Sep'18
Net Cash:	6.4bn	-6.1bn	3.9bn



9M FY20: Healthy top line growth and profitability



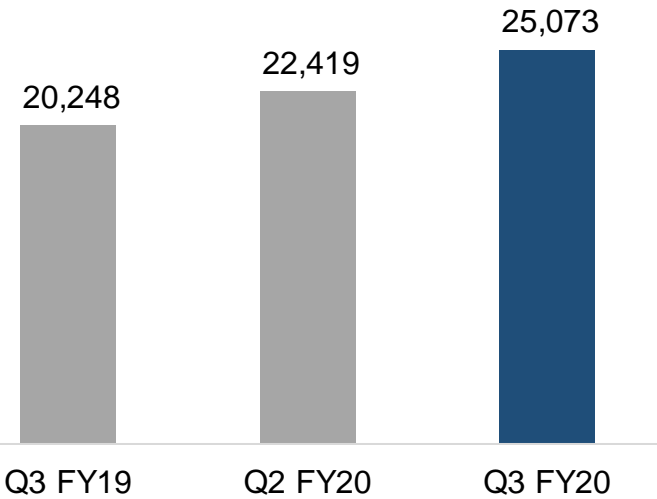
- Revenue in 9M FY20 grew by 21% YoY led by healthy growth across segments despite tough market conditions.
- EBITDA was up 18% YoY. EBITDA margin at 12.4% was lower YoY but has improved c.50bp vs FY19
- PAT increased by 53% YoY with margin improvement of c.170 bps led by lower finance costs and income tax rates

Notes: (1) Consolidated basis in INR mn (2) Revenue: Revenue from operations (3) EBITDA Margin: EBITDA divided by Revenue (4) EBITDA excludes other Income (5) PAT Margin: Profit after Tax for the period divided by Revenue

Q3 FY20: Resilient sales growth across segments

Revenue (INR mn)

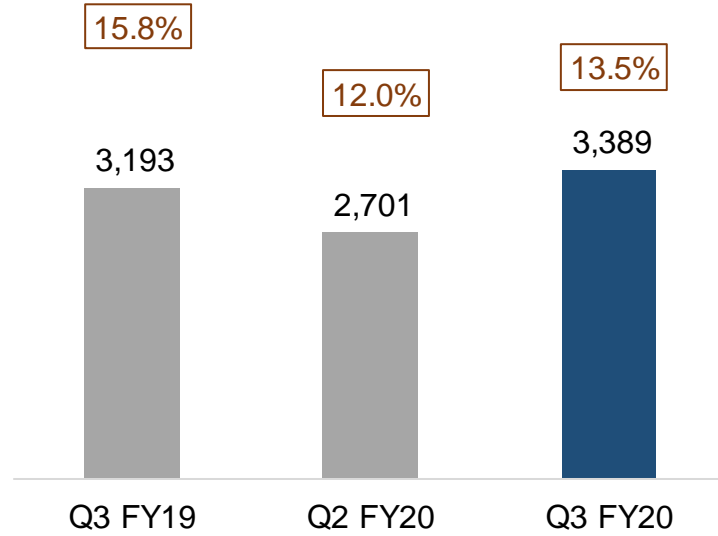
▲ 24% YoY ▲ 12% QoQ



EBITDA (INR mn)

▲ 6% YoY ▲ 25% QoQ

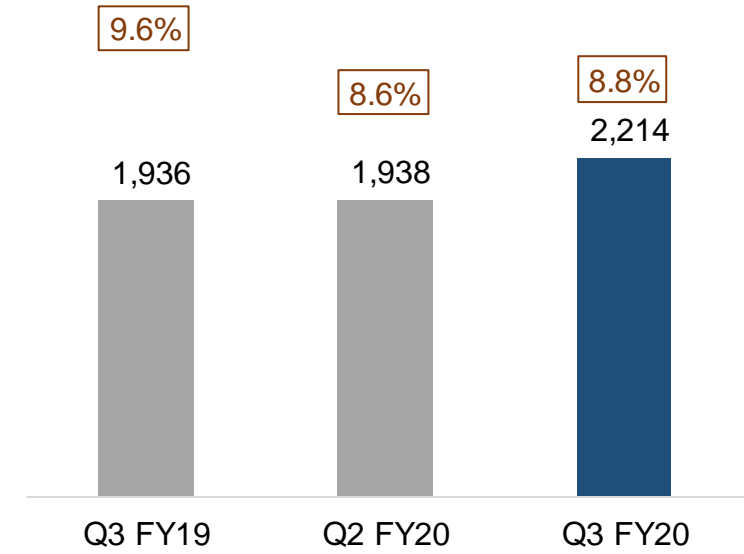
Margin



PAT (INR mn)

▲ 14% YoY ▲ 14% QoQ

Margin

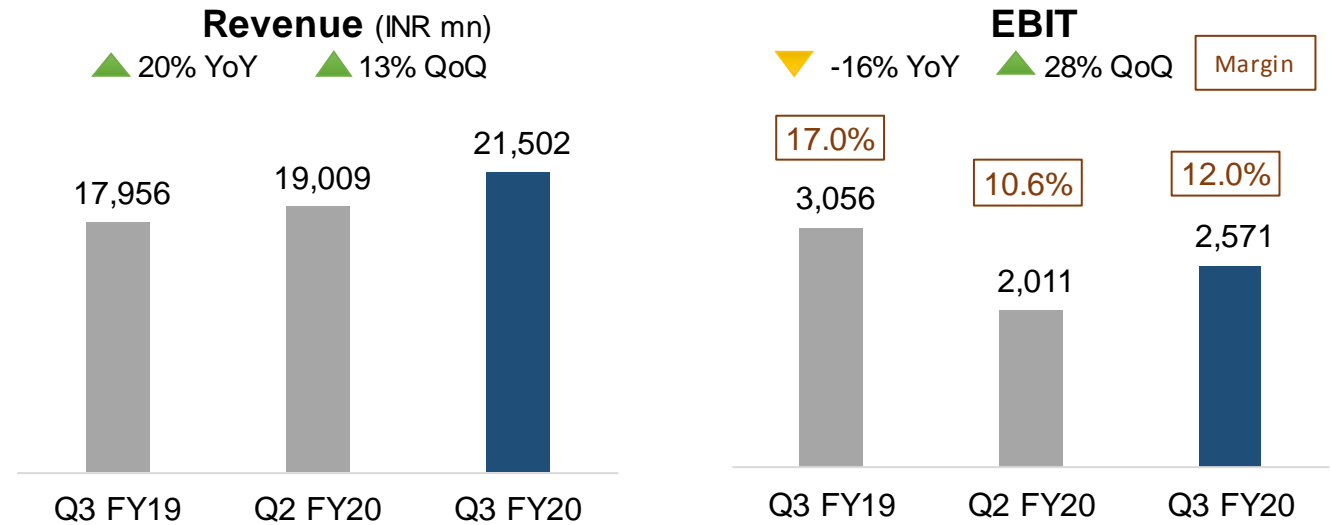


- Revenue grew 24% y-o-y and 12% q-o-q driven by healthy growth in across segments.
- EBITDA margins declined by 225bps y-o-y but improved 147bps q-o-q driven by improvement in sales mix and better realisation. At 13.5% Q3 margin is higher than Q2FY20 and FY19
- Historically our steady state EBITDA margin in Wires & Cables business, on an annualised basis, has ranged between 11 -13%.
- PAT margin at 8.8% declined by c.73 bps y-o-y but improved c.19 bps vs Q2FY20 led by lower finance costs. Q3 PAT margin is higher than FY19 margin

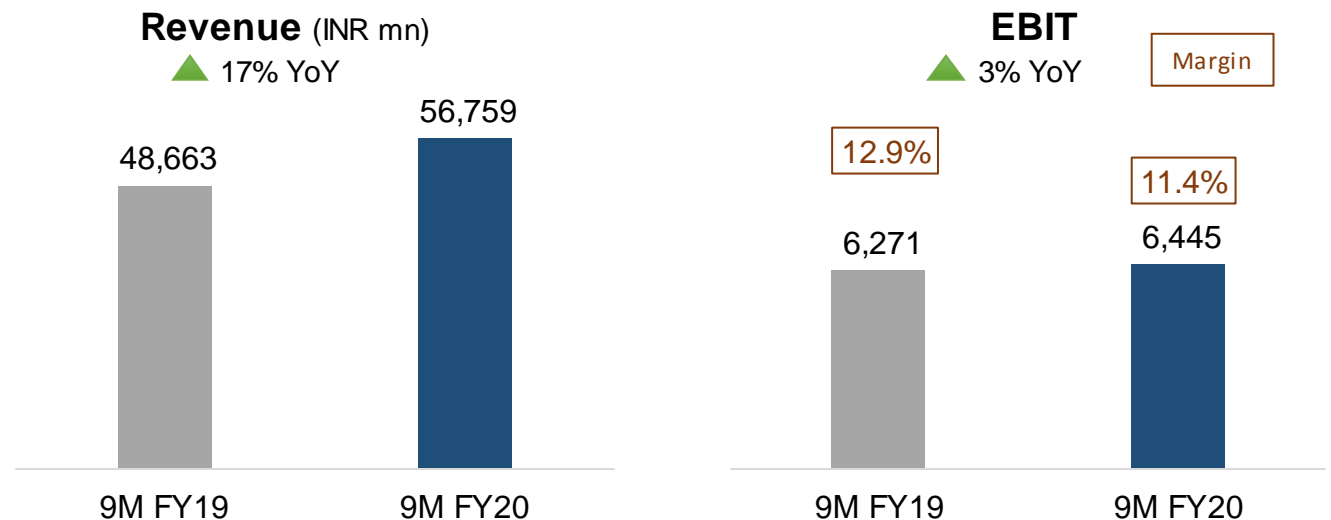
Wires and Cables: Performance

- Total income growth of 20% y-o-y was led by healthy growth across categories.
- Growth in cables was largely driven by exports which grew strongly on the back of a large order as well increasing traction seen in few developed geographies. Incremental sales from optical fiber cable (OFC) further contributed to growth. Channel sales in Q3 was soft, impacted by ongoing slowdown. Institutional sales in Q3 were impacted partly due to higher base.
- Wires segment witnessed strong double digit growth during the quarter buoyed by healthy demand from non metro cities. Green wires campaign which was launched across national and regional TV channels in Q3 has garnered good response from customers.

Q3 FY20 performance



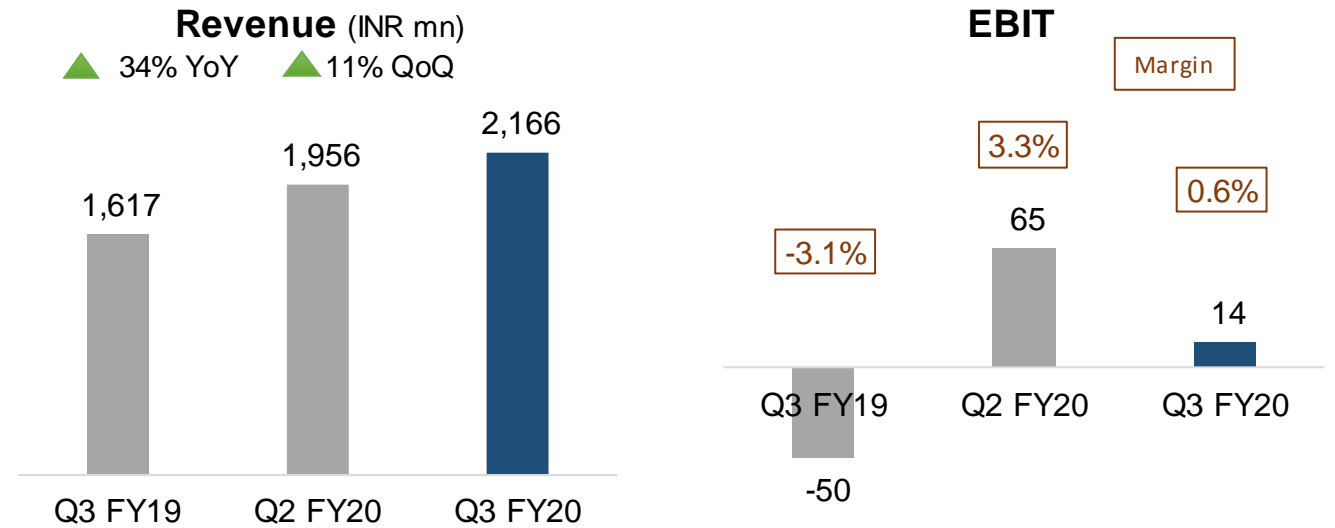
9M FY20 performance



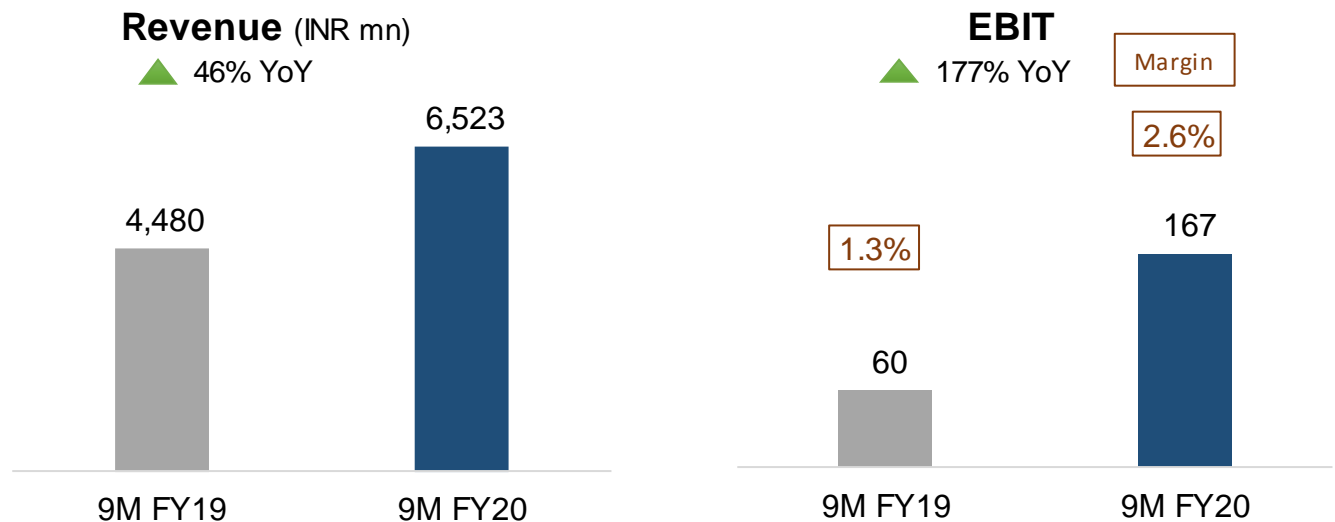
FMEG: Performance

- Total income growth of 34% YoY was primarily driven by fans and lighting & luminaires.
- Fans business posted good growth across portfolio with improving sales mix. Lighting as well as Luminaires continue to grow at healthy pace despite challenging market conditions. Growth in Switches and Switchgears remain soft.
- Higher ad spends dragged profitability in Q3.
- In 9M, sales grew 46% YoY driven by portfolio augmentation and distribution expansion. Fans and lighting & luminaires continues its healthy momentum across geographies. EBIT grew by 177% YoY with c.122bp higher margin vs 9MFY19 and c.140bp vs FY19

Q3 FY20 performance



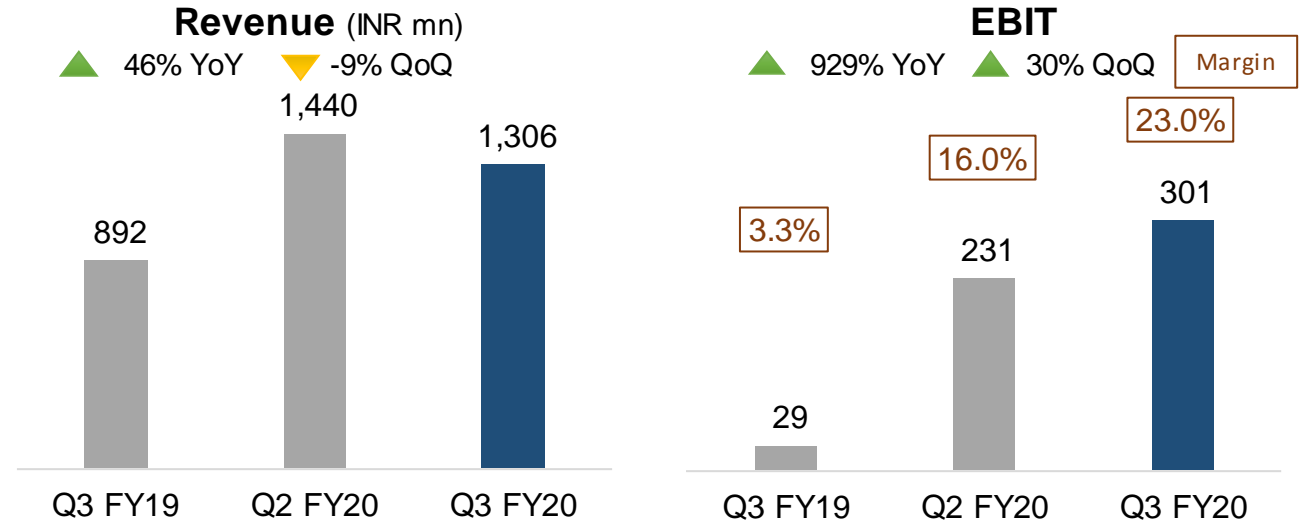
9M FY20 performance



Others: Performance

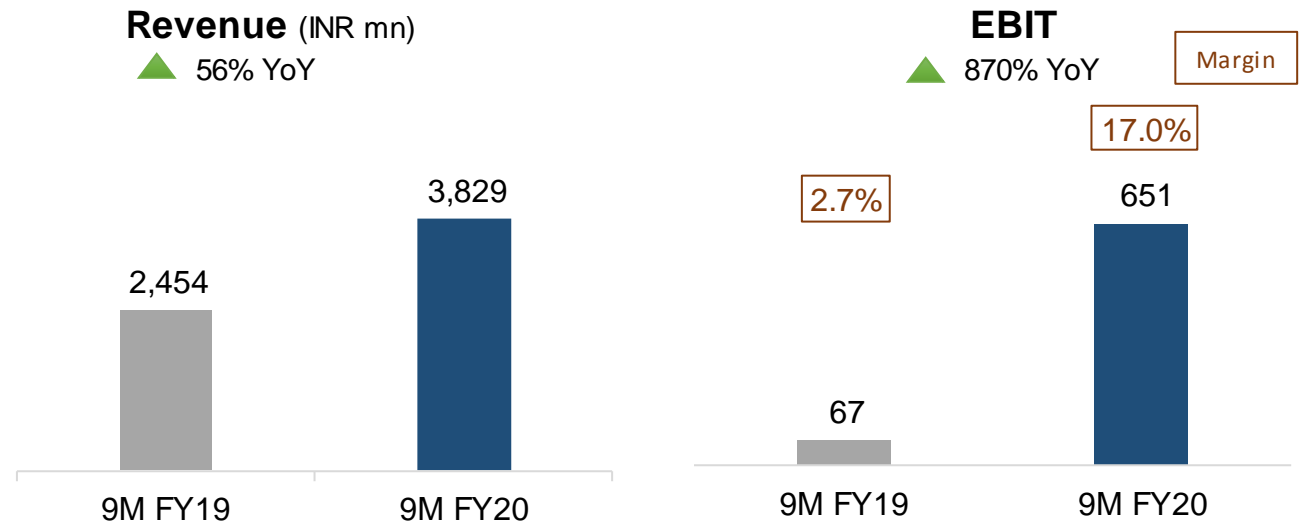
- Other segment which largely comprises of our EPC business witnessed healthy topline growth and margins led by execution of profitable projects

Q3 FY20 performance



- Revenue in 9MFY20 grew by 56% YoY with higher operating profitability

9M FY20 performance



Financial Statements

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Consolidated Profit and Loss Statement

Particulars (INR mn)	Quarter Ended					
	Q3FY20	%	Q2FY20	%	Q3FY19	%
Revenue from Operation	25,073	100.0%	22,419	100.0%	20,248	100.0%
Cost of Goods sold	18,190	72.5%	16,449	73.4%	14,432	71.3%
Contribution (A)	6,883	27.5%	5,970	26.6%	5,816	28.7%
Employee cost	915	3.6%	924	4.1%	866	4.3%
Other Operating Expenses	2,577	10.3%	2,329	10.4%	1,777	8.8%
Total Operating Expenses (B)	3,492	13.9%	3,253	14.5%	2,642	13.0%
Share of profit/(loss) of JVs (Net of tax) (C)	-2	0.0%	-16	-0.1%	19	0.1%
EBITDA (A)-(B)+(C)	3,389	13.5%	2,701	12.0%	3,193	15.8%
Other Income	3	0.0%	124	0.6%	238	1.2%
Depreciation	407	1.6%	395	1.8%	356	1.8%
Finance Cost	86	0.3%	127	0.6%	172	0.8%
PBT	2,900	11.6%	2,303	10.3%	2,904	14.3%
Income Tax	686	2.7%	365	1.6%	967	4.8%
PAT	2,214	8.8%	1,938	8.6%	1,936	9.6%

Nine Months Ended			
9M FY20	%	9M FY19	%
67,006	100.0%	55,219	100.0%
48,917	73.0%	40,643	73.6%
18,089	27.0%	14,577	26.4%
2,759	4.1%	2,358	4.3%
6,985	10.4%	5,126	9.3%
9,744	14.5%	7,484	13.6%
-16	0.0%	-46	-0.1%
8,328	12.4%	7,046	12.8%
463	0.7%	421	0.8%
1,187	1.8%	1,071	1.9%
336	0.5%	905	1.6%
7,268	10.8%	5,491	9.9%
1,764	2.6%	1,890	3.4%
5,505	8.2%	3,601	6.5%

Consolidated Balance Sheet

Particulars (INR mn)	Dec'19	Dec'18	Sep'19
<u>Assets</u>			
<u>Non-current Assets</u>			
Fixed Assets	15,947	14,153	15,871
Financial / Non-current Assets	2,835	2,719	2,595
Total Non-current Assets	18,782	16,872	18,467
<u>Current Assets</u>			
Inventories	16,461	23,055	18,943
Trade Receivables	12,004	10,699	11,360
Investments	4,036	-	990
Cash and Bank Balances	3,631	78	4,586
Others - Current Assets	3,049	3,155	2,869
Total Current Assets	39,180	36,987	38,748
Total Assets	57,962	53,859	57,214

Particulars (INR mn)	Dec'19	Dec'18	Sep'19
<u>Equity and Liabilities</u>			
Shareholder's Funds			
Share Capital	1,488	1,412	1,486
Reserves and Surplus	36,083	25,779	33,677
Total Shareholder's Funds	37,571	27,191	35,164
Minority Interest	138	67	112
<u>Non-current Liabilities</u>			
Borrowings	131	938	158
Others - Non-current Liabilities	907	789	886
Total Non-current Liabilities	1,039	1,727	1,043
<u>Current Liabilities</u>			
Short-term Borrowings	801	4,464	1,161
Trade Payables	12,179	15,339	13,230
Others - Current Liabilities	6,235	5,071	6,505
Total Current Liabilities	19,214	24,875	20,895
Total Equity and Liabilities	57,962	53,859	57,214

Consolidated Cash Flow Statement

Particulars (INR mn)	Quarter Ended			Nine Months Ended	
	Q3FY20	Q2FY20	Q3FY19	9M FY20	9M FY19
Net Cash Flow from Operating Activities	3,043	-1,280	-2,216	5,426	5,217
Net cash flow from/(used in) investing activities	-3,593	1,399	-1,141	-7,956	-2,555
Net cash flow from/(used in) financing activities	-414	-1,085	2,297	1,302	-2,668
Net Increase / (Decrease) in cash and cash equivalents	-964	-966	-1,060	-1,227	-6

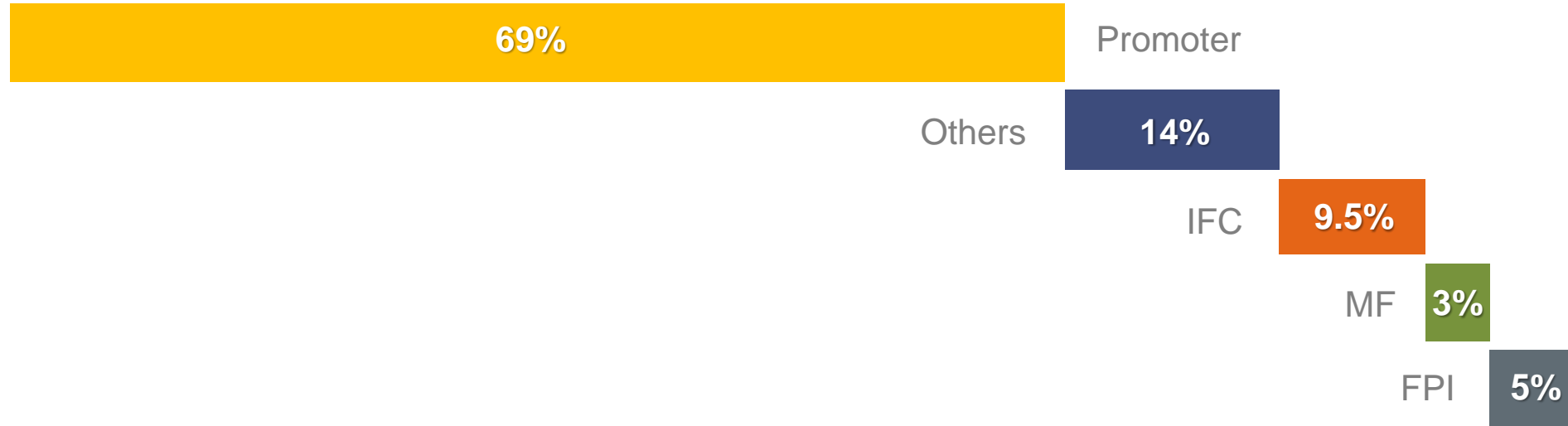
Other financial metrics

Working Capital in days	Trailing twelve months				Closing			
	Q3FY20	Q2FY20	Q1FY20	FY19	Q3FY20	Q2FY20	Q1FY20	FY19
Receivable Days	45	45	48	60	47	48	51	61
Inventory days	106	103	106	103	88	108	110	122
Payable Days	100	103	108	110	96	109	139	148
Net Working Capital	51	46	46	53	39	47	22	36

Other Income (INR mn)	Q3FY20	Q2FY20	Q3FY19	9M FY20	9M FY19
Interest income	72	78	21	216	43
Gain/loss on Redemption of investment	30	61	0	142	0
Fair value of financial assets (MTM)	-105	1	66	51	60
Exchange differences (net)	0	-44	104	0.0	222
Miscellaneous income	7	30	47	54	95
Total	3	124	238	463	421

Finance Cost (INR mn)	Q3FY20	Q2FY20	Q3FY19	9M FY20	9M FY19
Interest on Borrowings	9	17	55	53	200
Interest on Purchase / Sales / Discounting	33	42	68	130	201
Bank Charges	34	36	10	108	60
Foreign Exchange Gain/loss	9	31	38	45	443
Total	86	127	172	336	905

Shareholding Pattern



Notes: As on December 31st 2019



Enhancing shareholder



Market Cap
~INR 147.7 Bn.
(as of 31 Dec 2019)

Market Cap
~USD 2.1 Bn.



Safe Harbour

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Thank you

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