



## **HPL Electric & Power Limited**

CIN : L74899DL1992PLC048945

Corporate Office : Windsor Business Park, B-1D, Sector-10,  
Noida - 201301 (U.P.) | Tel.: +91-120-4656300 | Fax. +91-120-4656333  
E-mail : [hpl@hplindia.com](mailto:hpl@hplindia.com) | website: [www.hplindia.com](http://www.hplindia.com)

11<sup>th</sup> November, 2022

The Manager,  
Listing Department,  
**National Stock Exchange of India Ltd.**  
"Exchange Plaza", C-1, Block G,  
Bandra-Kurla Complex, Bandra (E),  
Mumbai – 400 051  
**Symbol: HPL**

**BSE Limited**  
25<sup>th</sup> Floor, New Trading Ring, Rotunda  
Building, PhirozeJeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400 001  
**Scrip Code: 540136**

**Subject: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Earnings Presentation**

Dear Sir

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of the Earnings Presentation that we propose to make during the conference call for investors scheduled to be held on Thursday, 17<sup>th</sup> November, 2022 at 3:00 PM IST is enclosed herewith.

The said Earnings Presentation has also been uploaded on the Company's website i.e. [www.hplindia.com](http://www.hplindia.com).

We request you to kindly take the same on record.

Thanking You

Yours Faithfully,  
For HPL Electric & Power Limited

Vivek Kumar  
Company Secretary

Encl: As above



**HPL ELECTRIC & POWER  
LIMITED**

**Q2 & H1FY23 RESULTS UPDATE**

**November 2022**

*This presentation and the following discussion may contain “forward looking statements” by HPL Electric & Power Limited (“HPL” or the Company) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of HPL about the business, industry and markets in which HPL operates.*

*These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond HPL’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of HPL.*

*In particular, such statements should not be regarded as a projection of future performance of HPL. It should be noted that the actual performance or achievements of HPL may vary significantly from such statements*



## DISCUSSION SUMMARY

- 04** COMPANY OVERVIEW
- 11** Q2 & H1FY23 - PERFORMANCE UPDATE
- 23** BUSINESS STRATEGY





# Smart Meter



## COMPANY OVERVIEW



## Trusted Electric Equipment Manufacturer

- **'One-stop shop'** offering wide range of low-voltage electric products -
  - Metering Solutions (conventional and smart meters)
  - Switchgears
  - Lighting Products
  - Wires & Cables
- Innovative, quality and technologically superior products catering to varied market segments and at different price points

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

- **'50% Market Share'** in the Domestic On-load Change-over Switches Market \*
- **'20% Market Share'** in Domestic Electric Meters Market \*
- **'5% Market Share'** in the Low-voltage Switchgear Market \*
- **'5th Largest'** LED Lighting Products Manufacturer \*

## Integrated Manufacturing Operations Combined with Strong R&D Capabilities

- **7 state-of-the-art Manufacturing facilities** with capabilities across design & product development, component designing, tool making and commercial production
- **2 R&D centers housing 100+ expert engineers** having rich experience in the electrical industry and a proven track record of product innovation



## Established Pan-India Distribution Presence

- **Established Pan-India Distribution network** consisting of –
  - **90+ Branch & Representative Offices**
  - **900+ Authorized Dealers**
  - **35,000+ Retailers**

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

- **45+ year old Established Brand** with strong recall across various customer segments – *Power Utilities, Government Agencies, Retail & Institutional Customers*
- Highly Experienced management team
- **Strong prequalification credentials** in the metering and switchgear businesses creating high benchmarks



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



Domestic Applications



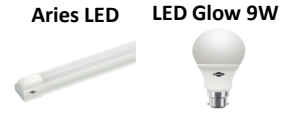
Modular Switch & Accessories



**TAB™** **intelliPROTECT**  
**intelliCONTROL** **Osafe**  
MCB | DB | RCCB

## Lighting Equipment

Consumer LED Products



Commercial LED Products



Outdoor LED Products



**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:** Electronic Meters, R&D Center for Smart Meters

**Gurugram Facility II:** Lighting Equipment and Electronic Meter Parts

## JABLI



**Facility I:** Switchgear, Electronic Meters, and Parts of Lighting Equipment

**Himachal Energy Facility:** Electronic Meters, Panel Meters and Clips for Panel Meters

**Product Segments**

**Capacity (per annum)**

Electronic Meters 11 million units

Lighting Equipment 26 million units

Switchgear 16 million units

Wires & Cables 194 million meters

## KUNDLI



**Facility I:** Switchgears, Parts of Electronic Energy Meters and Parts of Lighting Equipment

**Facility II:** Lighting Equipment

## GHARAUNDA



**Products:** Wires and Cables

## QUALITY & COMPLIANCE CERTIFICATIONS



IS : 8828



CMLL-8515376



ISO-27001:2005



ISO-9001:2000



RWTV





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

- Launched '5 new products in the Switchgear Category and 5 in Tradelight in Q2FY23



### IN-HOUSE R&D CAPABILITIES:

- 2 R&D facilities in Gurugram & Kundli with more than 100 engineers
- 1 Testing facility in Gurugram – NABL accredited and ISO/IEC 17025:2005 compliant
- 2 Tool Rooms for rapid prototyping & component designing for complete range of MCBs, MCCBs, Meters, Changeover Switches, Switch Fuse Units, LED lamps

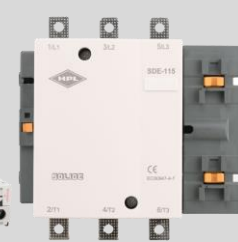
### Switchgear



APFC Panel



SDE Series Contactor (Contactor & Relays)



Starter

### Trade Lighting



LED GLO Bulb  
Shine 30W-50W



LED Platinum DL  
4W-12W



Lumino Plus LED  
Panel 5W

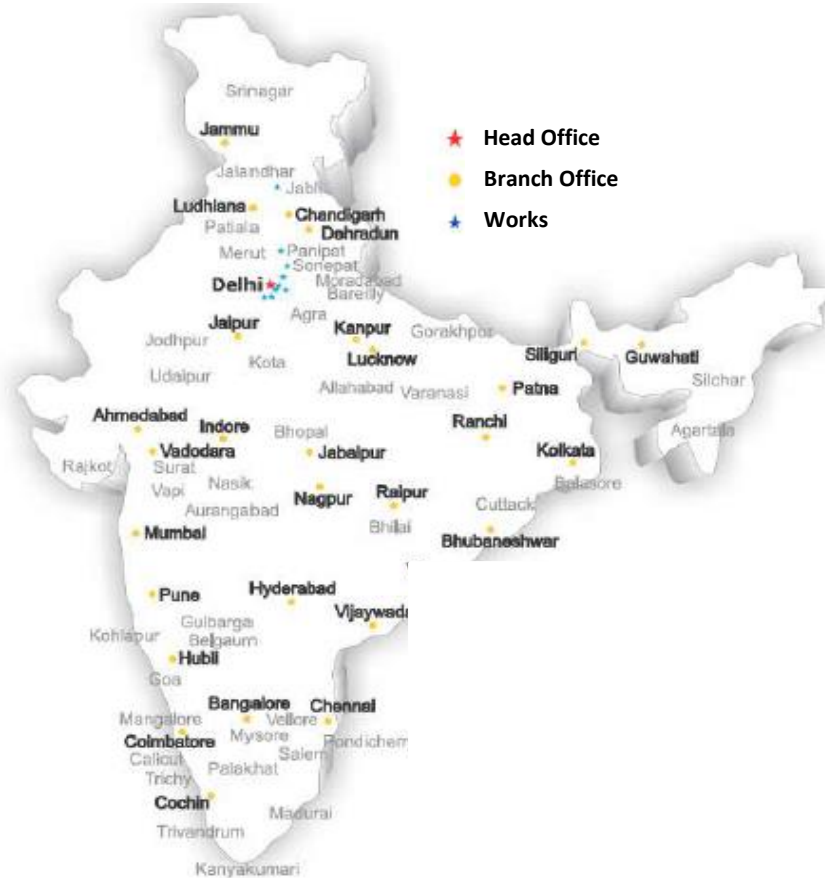


Spark Bright LED  
Slim PC Panel



Spark Titanium  
LED FLP

# 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  
35,000+ Retailers**

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

**620+ 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

- Strong Promoter pedigree with more than 45 years of experience
- More than 25 years of average experience of senior management team
- Strong R&D and manufacturing capabilities



## ESTABLISHED RELATIONSHIPS

- Established relationships with Institutional customers, Power Utilities and Governmental Agencies across India
- HPL has created a “*niche*” for itself in technologically advanced products like Metering and Switchgear businesses



## STRONG PRE-QUALIFICATION CREDENTIALS

- HPL works with Power Utilities and Government Agencies pursuant to direct contractual arrangements, obtained through bidding processes, requiring certain pre-qualification requirements
- HPL meets all pre-qualification credentials including past experience, technical requirements, quality and safety compliances, financial strength, and price competitiveness

## ‘ONE-STOP SHOP’ OF LOW-VOLTAGE “CONSUMER” ELECTRIC PRODUCTS –

- Offer a wide range of innovative, and technologically superior products in the “Lighting, Switchgears, and Wires & Cables segments” which cater to varied market segments and at different price points



# Smart Modular Switches

**Q2 & H1FY23 -  
PERFORMANCE  
UPDATE**



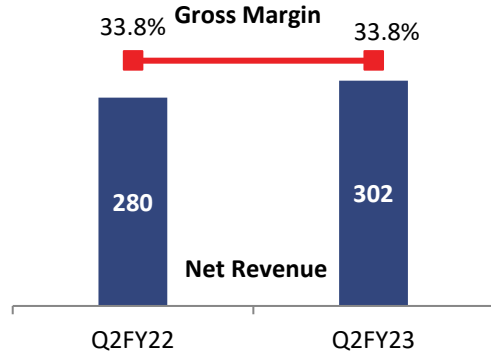
- ❑ The Company registered robust double-digit growth as revenue increased by 46.3% in H1FY23.
- ❑ EBITDA registered a sharp increase of 79.0% where EBITDA is Rs. 75.5 crores in H1FY23.
- ❑ Profit Before Tax stood strong at 19.2 crore in H1FY23.
- ❑ Profit After Tax stood strong at 12.6 crore in H1FY23.
- ❑ EPS stood at Rs. 1.95 in H1FY23 as compared to a negative EPS of Rs. -2.33 in H1FY22.
- ❑ Metering & Systems segment revenue grow by 68% in H1FY23.
- ❑ Consumer & Industrial segment revenue grows by 28% in H1FY23.
- ❑ Exports registered a growth of 19% H1FY23.
- ❑ On the balance sheet front companies' Debt Equity remain intact.
- ❑ Sharp improvement in the working capital cycle, as the cycle improved by 33 days.

# Q2 & H1FY23 : YoY PERFORMANCE ANALYSIS

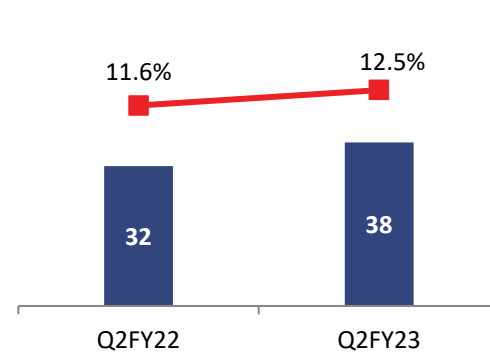


## Q2FY23 In Rs Crore

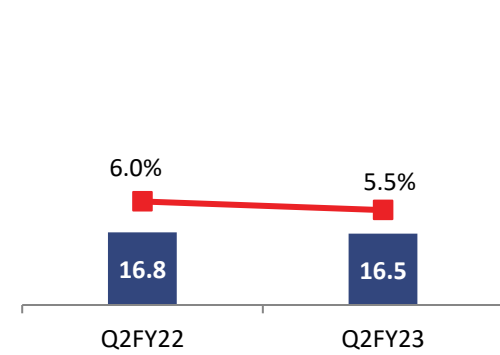
### NET REVENUES & GROSS MARGIN %



### EBITDA & EBITDA MARGIN %

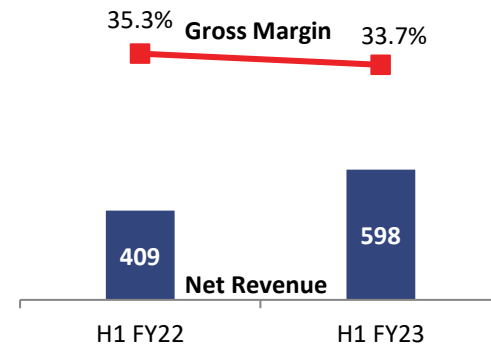


### CASH PAT & CASH PAT MARGIN %

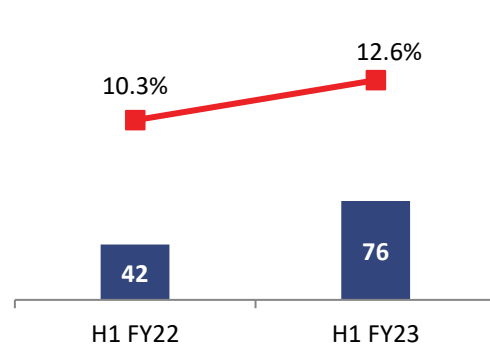


### NET REVENUES & GROSS MARGIN %

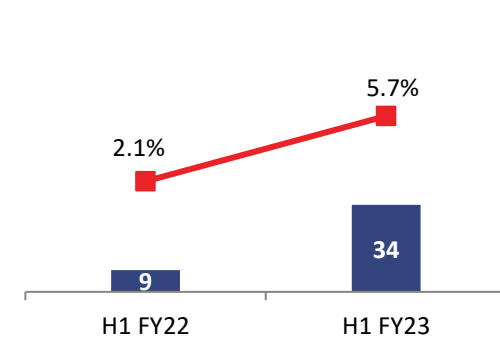
## H1FY23



### EBITDA & EBITDA MARGIN %



### CASH PAT & CASH PAT MARGIN %

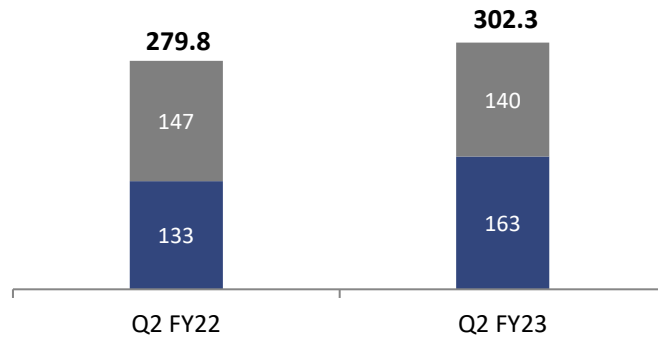


# Q2FY23: YoY SEGMENT ANALYSIS



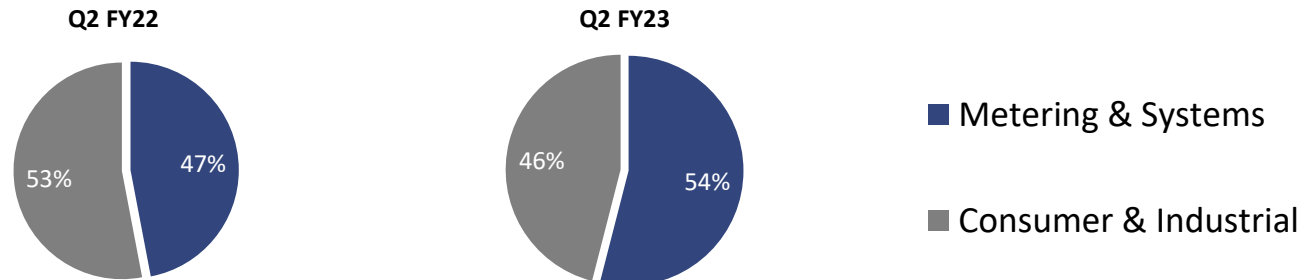
In Rs Crore

## SEGMENT NET REVENUE & EBIT MARGIN



	% EBIT Margin	Q2 FY22	Q2 FY23
Metering & Systems		9.3%	13.4%
Consumer & Industrial		12.2%	11.7%

## SEGMENT REVENUE SHARE %



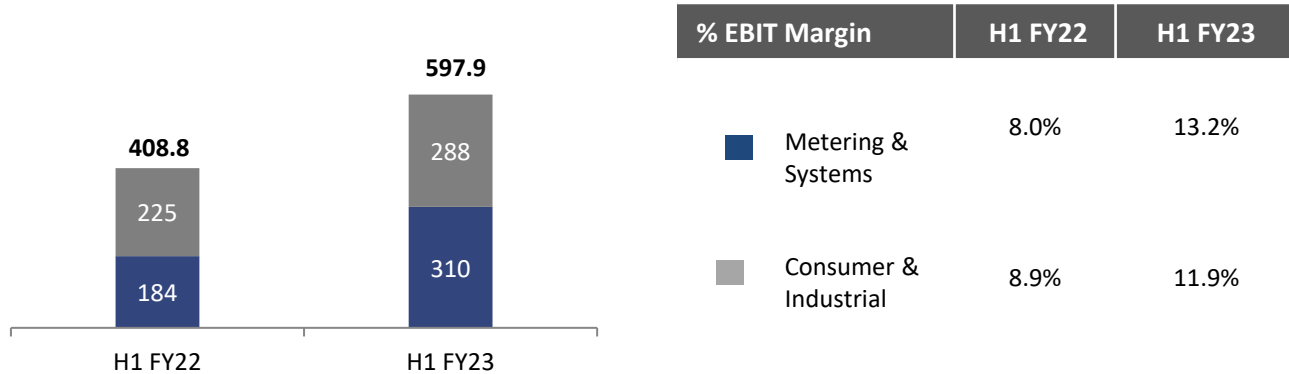
Management has changed its segmental reporting by consolidating/restructuring on the basis of similar economic, market and business characteristics. Thereby the two new reportable segments identified are **Consumer & Industrial** by aggregating wire & cables, lighting, luminaries and switchgear business into one segment and aggregating of Metering Systems and Projects business into another segment as **Metering & Systems**. Changes in the reportable segment are in accordance with Ind AS 108, hence previous year figures are re-instated to make it comparable.

# H1FY23 : YoY SEGMENT ANALYSIS

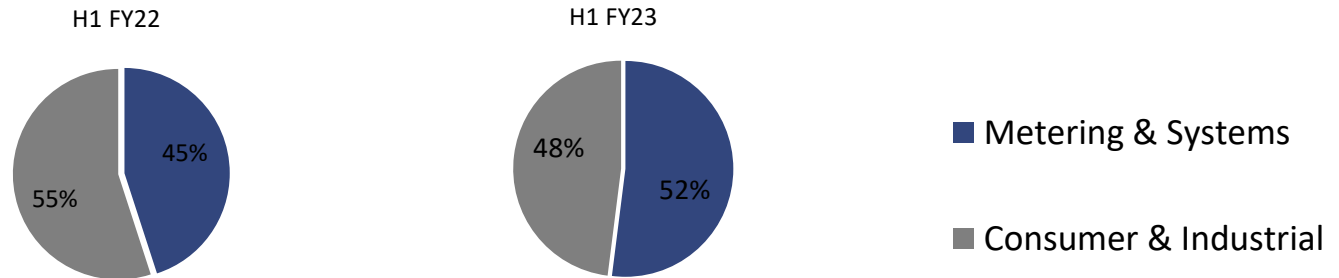


In Rs Crore

## SEGMENT NET REVENUE & EBIT MARGIN



## SEGMENT REVENUE SHARE %





### **Strong Performance in Q2FY23 led by robust performance in the metering and systems segment.**

- The Company registered a strong performance YoY and revenue surged by 46.3% in H1FY23 to Rs. 597.9 crore as compared to Rs. 408.8 crore in H1FY22. Revenue increased by 8.% in Q2FY23 to Rs. 302.3 crore as compared to Rs. 279.8 crore in Q2FY22.
- Gross profit improved by 39.6% and stood at Rs. 201.3 crore in H1FY23 as compared to Rs. 144.1 crore in H1FY22. In Q2FY23 gross profit increased by 7.9% and stood at 102.1 crore.
- EBITDA grew by 79% YoY in H1FY23 where EBITDA is Rs. 75.5 crore in H1FY23 as compared to Rs. 42.2 crore in H1FY22. EBITDA margin expanded by 231bps and stood at 12.6% in H1FY23 as compared to 10.3% in H1FY22. In Q2FY23 EBITDA grew by 17% YoY, where EBITDA stood at Rs. 37.9 crore in Q2FY23 as compared to Rs. 32.4 crore in Q2FY22. EBITDA margin expanded by 97bps and stood at 12.5% in Q1FY23 as compared to 11.6% in Q2FY22.
- PAT stood at Rs. 12.6 crore in H1FY23 as compared to a net loss of Rs. 15 crore in H1FY22. In Q2FY23 PAT grew by 28.10% YoY and stood at Rs. 6.3 crore

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

- In the Metering & Systems segment revenue grow by 68% YoY to Rs. 309.6 crore in H1FY23 from Rs. 184.2 crore in H1FY22. Consumer & Industrial segment revenue grows by 28% YoY to Rs. 288.2 crore in H1FY23 from Rs. 224.5 crore in H1FY22. The Metering & Systems segment revenue grow by 23% YoY to Rs. 162.8 crore in Q2FY23 from Rs. 132.7 crore in Q2FY22. In Consumer & Industrial segment revenue stood at Rs. 139.5 crore in Q2FY23.
- The Metering & Systems segment registered EBIT growth of 176% in H1FY23, where EBIT stood at 40.8 crore in H1FY23 as compared to 14.8 crore in H1FY22. Consumer & Industrial segment registered EBIT growth of 72% where EBIT stood at 34.3 crore in H1FY23 as compared to 19.9 crore in H1FY22. EBIT of Metering & Systems segment registered 76% growth in Q2FY23.
- Both segments registered healthy EBIT margins. The Metering & Systems segment registered EBIT margin of 13.2% in H1FY23 as compared to 8% in H1FY22 and the consumer & Industrial segment registered EBIT of 11.9% in H1FY23 as compared to 8.9% in H1FY22.

- ❑ **Healthy enquiries leading to a strong and stable order book for the company. The company executes the current order on fast-track mode to maintain a healthy execution of current pipeline.**
- ❑ The Company is approved as a bidder through tender participation for the appointment of Advanced Metering Infrastructure (AMI) Service Provider for Smart Prepaid Metering in India on a DBFOOT (Design, Build, Finance, Operate and Transfer) basis under the Revamped Distribution Sector Reform Scheme(RDSS). HPL is one of the few participants to receive the Empanelment Certificate after being subjected to vigorous testing carried out at the Central Power Research Institute (CPRI) laboratory. This Certificate enables the company to participate in the massive opportunity to take a slice of the 25 crore smart-meter market.
- ❑ **The 'Metering & Systems' segment is anticipated to receive good traction and growth.**
  - Metering segment is witnessing a new dawn. Inspection and inquiries have started gaining traction. We expect the momentum to continue and grow and expect an overall surged performance in the Metering & Systems segment.
- ❑ **Smart Meters be the next game changer in the growth-building process.**
  - Smart meter will be the leading player in the growth building story of the HPL.
  - Company has positioned itself very well in the smart meter market and is receiving good traction from customers The current meter order book has more than 50% Smart Meters and it is expected that the share of Smart Meters to rise even further. Smart meters attract higher realizations, thereby resulting to increase revenue and enhanced profitability.
- ❑ **Overall Strong order book of ₹ 834 crores ensures revenue visibility for the short and medium term.**
  - Meter & systems contribute 60% and the consumer and industrial segment contributes 40% of the current order book.
  - Enquiry base for Metering tenders is at a healthy level as tenders amounting to ~ ₹ 10,000 crore + have been floated or are expected to be floated in the near term.
- ❑ **Company's growth trajectory is strong, and the Company is confident of driving sustainable growth in future.**
- ❑ **Company continues to focus on various new age opportunities of smart Metering, Smart cities, Renewable Energy, 5G Telecom, EV, etc. where the company's electrical and metering products are widely used.**

## HPL's Global Network

HPL exports continues to see a growth of 19% Year on Year in H1FY23.

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.

- HPL is present in 42+ countries across the globe.
- HPL's LV switchgear testing laboratory in Jabli, Himachal Pradesh is accredited with IECEE certification for independent testing of MCB & RCCB for KEMA and CB certification from DEKRA, Netherlands.
- The above test certifications enable HPL's product access to new 53 countries, thereby adding to their global footprints of the existing 42+ countries.



**HPL Stall at – “Construction Association Of Bhutan Exhibition”**

# CONSOLIDATED PROFIT & LOSS STATEMENT



Particulars (In Rs. Crore)	Q2 FY23	Q2 FY22	YoY%	H1 FY23	H1 FY22	QOQ%	FY22
<b>Net Revenue from Operations</b>	<b>302.3</b>	<b>279.8</b>	<b>8.0%</b>	<b>597.9</b>	<b>408.8</b>	<b>46.3%</b>	<b>1014</b>
COGS	200.2	185.2	8.1%	396.6	264.7	49.9%	652.7
<b>Gross Profit</b>	<b>102.1</b>	<b>94.6</b>	<b>7.9%</b>	<b>201.3</b>	<b>144.1</b>	<b>39.6%</b>	<b>361.3</b>
<b>Gross Margin (%)</b>	<b>33.8%</b>	<b>33.8%</b>	<b>-2 bps</b>	<b>33.7%</b>	<b>35.3%</b>	<b>-160 bps</b>	<b>35.6%</b>
Employee Expenses	35.4	31.5	12.5%	69.4	55.2	25.7%	123.8
Other Expenses	28.8	30.7	-6.3%	56.3	46.7	20.6%	112.3
<b>EBITDA</b>	<b>37.9</b>	<b>32.4</b>	<b>17%</b>	<b>75.5</b>	<b>42.2</b>	<b>79.0%</b>	<b>125.1</b>
<b>EBITDA Margin (%)</b>	<b>12.5%</b>	<b>11.6%</b>	<b>97 bps</b>	<b>12.6%</b>	<b>10.3%</b>	<b>231 bps</b>	<b>12.3%</b>
Other Income	0.7	1.2	-38.8%	1.7	2.6	-33.5%	4.2
Finance Costs	18.6	16.8	11.3%	36.2	33.7	7.3%	68.3
Depreciation	10.2	11.9	-14.1%	21.6	23.6	-8.3%	47.1
<b>PBT</b>	<b>9.7</b>	<b>4.9</b>	<b>99.4%</b>	<b>19.4</b>	<b>-12.6</b>	<b>NA</b>	<b>13.9</b>
Taxes	3.4	00	NA	6.8	2.5	177.5%	6.1
<b>Reported PAT</b>	<b>6.3</b>	<b>4.9</b>	<b>28.1%</b>	<b>12.6</b>	<b>-15.0</b>	<b>NA</b>	<b>7.8</b>
<b>Cash PAT</b>	<b>16.5</b>	<b>16.8</b>	<b>-1.8%</b>	<b>34.2</b>	<b>8.6</b>	<b>299.4%</b>	<b>54.9</b>
<b>PAT Margin (%)</b>	<b>2.1%</b>	<b>1.8%</b>	<b>33bps</b>	<b>2.1%</b>	<b>-3.7%</b>	<b>NA</b>	<b>0.8%</b>
<b>Earnings Per Share (EPS)</b>	<b>0.97</b>	<b>0.77</b>	<b>26.1%</b>	<b>1.95</b>	<b>-2.33</b>	<b>NA</b>	<b>1.21</b>

# CONSOLIDATED BALANCE SHEET





Particulars (In Rs Cr)	Sept-22	Mar-22
<b>Equities &amp; Liabilities</b>		
<b>Shareholder's Funds</b>	<b>775.8</b>	<b>764.5</b>
Equity share capital	64.3	64.3
Other Equity	711.5	700.2
<b>Minority Interest</b>	<b>1.8</b>	<b>1.8</b>
<b>Non-Current Liabilities</b>	<b>95.8</b>	<b>80.5</b>
Borrowings	57.7	58.5
Other Financial Liabilities	31.3	14.8
Provisions	6.8	7.3
<b>Current Liabilities</b>	<b>780.2</b>	<b>791.1</b>
Borrowings	540.5	536.0
Trade Payables	200.7	228.6
Other Financial Liabilities	23.7	18.3
Current Tax Liabilities	1.6	-
Other Current Liabilities	8.2	3.7
Provisions	5.4	4.4
<b>Total Equity &amp; Liabilities</b>	<b>1,653.6</b>	<b>1,637.8</b>

Particulars (In Rs Cr)	Sept-22	Mar-22
<b>Assets</b>		
<b>Non-Current Assets</b>	<b>491.8</b>	<b>502.5</b>
Property, Plant & Equipment	443.5	437.6
CWIP	3.8	10.2
Right of use Assets	2.1	2.7
Intangible Assets	-	6.6
Financial Assets	2.5	2.7
Deferred Tax Assets (Net)	26.4	29.4
Other Non-Current Assets	13.4	13.2
<b>Current Assets</b>	<b>1,161.8</b>	<b>1,135.4</b>
Inventories	483.4	506.7
Trade receivables	565.8	505.2
Cash	37.7	39.1
Bank Balances	31.2	41.2
Loans	0.7	0.6
Other Financial Assets	12.7	16.0
Current Tax Assets (Net)	-	1.6
Other Current Assets	30.3	25
<b>Total Assets</b>	<b>1653.6</b>	<b>1,637.8</b>



*“Garnered Over 20 Million Reach”*

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

 **HPL Electric & Power Ltd**  
94,392 followers  
2mo • 


Switch to environmentally-friendly electric solutions, switch to HPL solar cables!... see more





**Time to switch over to THE GREENER SIDE**

**HPL SOLAR CABLE**

www.hplindia.com

 36 2 comments • 1 repost

 Like  Comment  Share  Send

 **HPL Electric & Power Ltd**  
15 Oct • 

This Diwali, brighten your life and bring home the Lumino Plus downlighter!  
#DiwaliwithHPL... See more





Brighten the joy of being at HOME  
#DiwaliwithHPL


**LUMINO PLUS DOWNLIGHTER**

www.hplindia.com

 30 8 shares





 Like  Comment  Share

 **hp\_electric\_and\_power** 



**Reduce**  
Your Carbon Footprint With Smart Metering

www.hplindia.com

**33 likes**  
hp\_electric\_and\_power With HPL Smart Meters, you'll save money on your electrical bills and reduce your carbon... more

1 November



**Retailer Meet, Bhavnagar Ahmedabad**



**Builder's Meet - Nagpur**



**Dealer's Meet - Trichur, Kerela**



**Retailer's Meet, Jaipur Rajasthan**

# ELITE CHANNEL CONNECTS & BRAND VISIBILITY



Retailers Meet-Rajkot



Retailers Meet – Jaipur, Rajasthan



Hoarding At Nagpur



HPL'S Retail Activity



Retailer Meet – Cuttack, Orissa





## Solar Exhibition – Renewable Energy India Expo

Address- Hall No.3, Stall No. 3143 India Expo Mart, Greater Noida (NCR)



# LED Lights



**BUSINESS STRATEGY**

## FUTURE BUSINESS STRATEGY

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

- ✓ Commands a 'market share of ~20%' in the domestic meters market with an 'installed capacity of 1.1 crore meters per year'
- ✓ **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' through brand building, network expansion & product development initiatives
- ✓ These divisions have shorter working capital cycle (compared to the meters business) - 'Thereby helping to generate higher overall ROCE for HPL'

***Sectoral Opportunities to Provide  
Growth Momentum***

- ✓ Positive policy initiatives along with favorable industry outlook expected to boost demand for HPL's products especially for switchgears & meters
- ✓ \* Indian Switchgear Market projected to grow @ 15% CAGR over 2019-23
- ✓ # Indian LED Lighting Market projected to grow @ 23% CAGR over 2019-25
- ✓ Crisil Research expects the Indian wires & cables market to grow @ 15% CAGR over the next 4 years (2019-23)

# SMART METERS – “GAMECHANGING INITIATIVE” WITH ENORMOUS POTENTIAL

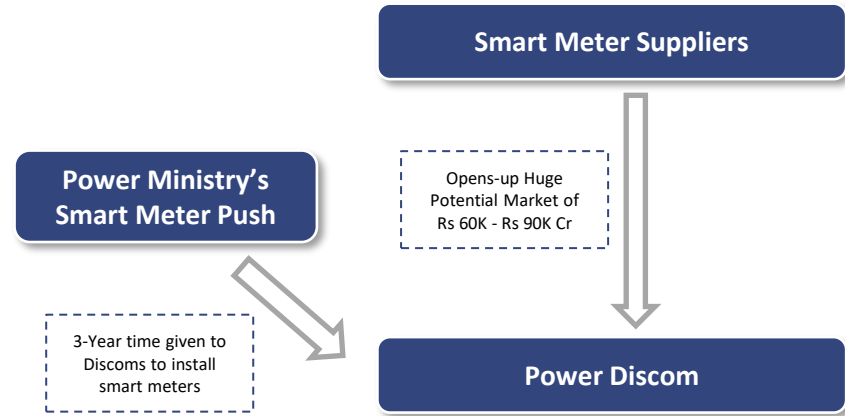


## ❑ What are smart meters? What is the opportunity size?

- Meters with embedded software to enable automation and communication
- Ministry of Power plans to install 25 to 30 crore smart meters across India – *‘which translates into a cumulative opportunity size of Rs 60,000 to Rs 90,000 crore’*

## ❑ Why should the “Utilities” install smart meters?

- India’s discoms owed Rs 78,379 crore to power generating companies in FY21
- Smart meters can help address this situation effectively by minimizing human intervention in metering, billing and collection



## ❑ 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
- ✓ Bagged orders worth Rs. 100+ crore for meter with smart communication technology and with RF and IRDA communication in the last couple of years

## HPL's Competitive Edge

- |   |  |  |
|---|--|--|
| ✓ | <b>Market Leading Player</b>   | ▪ ~20% market share. Installed capacity of 11 MPPA – <i>‘this capacity is fungible and can be used for smart meters as well’</i>   |
| ✓ | <b>Comprehensive Product Portfolio</b>   | ▪ Conventional, and smart meters (including prepaid meters, software communication driven meters)  |
| ✓ | <b>Long-standing Relationships</b>   | ▪ Successful track-record of supplying to most state and central utilities for the last 2 decades  |
| ✓ | <b>Strong Pre-qualification Credentials</b>                                    | ▪ IS 16444 certified products  |
| ✓ | <b>Strong Thrust on Quality, Product Innovation &amp; Cost Competitiveness</b> | ▪ 2 R&D Centers housing over 100 experts having rich experience in the electrical industry ( <i>launched 3 new products in FY21</i> )<br>▪ Integrated Operations help achieve cost competitiveness |

# 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
- ✓ HPL is looking to drive healthy growth in this business by using a 3-pronged approach →
  - 1) Enhancing distribution reach & relations
  - 2) Undertaking brand building initiatives and
  - 3) Constantly developing new & innovative products (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

- In FY20, HPL tied-up with the Delhi Capitals Team for the IPL 2019 Campaign
- Building upon the successful campaign in IPL, HPL tied-up with 'The Haryana Steelers' Pro Kabaddi Team as its 'official LED 'Lighting Partner''
- *'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

- Launched new innovative range of products in the lighting and switchgear segment in FY21 -
  - **Switchgear:** Launched 'over 6' new products including the industrial and domestic range, along with new products in solar category
  - **Lighting:** Launched 12 new products including 'Bright Neo LED Pattern', 'Spark Gold', 'Tri-Glow LED Tri-Colour Pattern', 'Kasper Gold', etc.
- *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 27,000 retailers to 1,00,000 retailers within next 3 years*
- Regular hold channel connect events in the form of dealer meets, retailer meets and technical seminars

**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**

Joint Managing Director & CFO

Email: [gautamseth@hplindia.com](mailto:gautamseth@hplindia.com)

**DICKENSON**

**Mr. Sonam Raghuvanshi**

Associate Director, Dickenson World

Ms. Shankhini Saha

Associate Director, Dickenson World

**Mr. Chintan Mehta**

Director, Dickenson World

Email: [hpl@dickensonworld.com](mailto:hpl@dickensonworld.com)