



## **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> February, 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 Monday, 14<sup>th</sup> February, 2022 at 4:00 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**

**Q3 & 9M FY22 RESULTS UPDATE**

**FEBRUARY 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

**12** Q3 & 9MFY22 - PERFORMANCE UPDATE

**22** BUSINESS STRATEGY





# Smart Meter



## COMPANY OVERVIEW



## Market Leader in Electric Meters

- **'50% Market Share'** in the Domestic On-load Change-over Switches Market \*
- **'20% Market Share'** in Domestic Electric Meters Market \*

## Formidable Player in On-load Change-over Switches

- **'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**
  - **40,000+ Retailers**

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

- **40+ 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



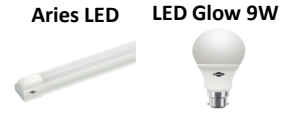
Modular Switch & Accessories



**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





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

- Launched '2 new products' in the Meters Category, '2 new products' in Switchgear, and '3 new products' in Lighting in Q3 FY22
- Solar Electrical Products - Developed a complete range of solar solutions across meters, switchgears, lighting and wires & cables

### DEKRA Certified Lab in Jabli Facility (H.P.)



### 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

#### SOLIDE Range of AC Contactor



#### DC Isolator 250A



#### Switch Disconnector (DC)



### Lighting

#### LED Kasper Inverter Batten & LED Strip Light



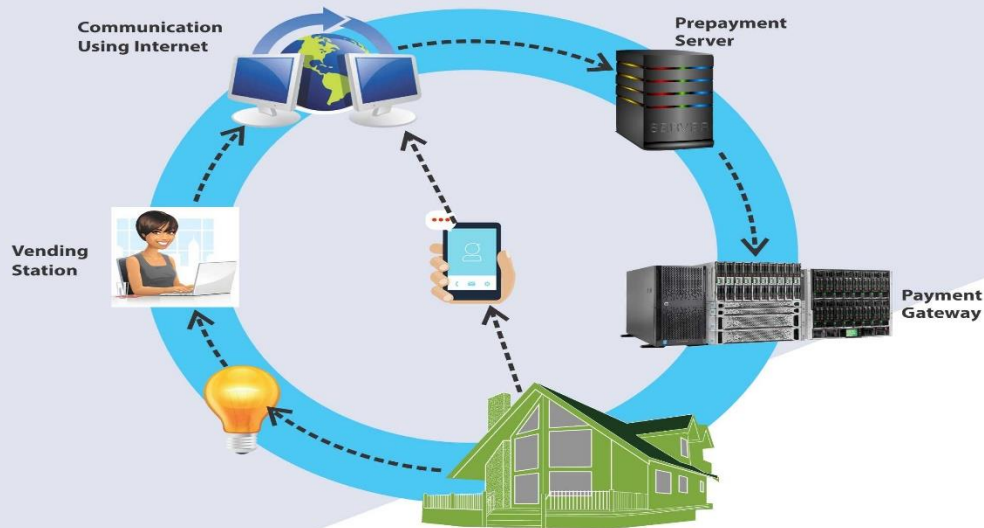
### Meter

#### Ebrit Digital Panel Meter



## Advantages of HPL Electric Smart Meters

### Smart Metering Solution (Cellular Communication)



#### Special Features :

- SIMs Supports
- Multi-operators
- Remote
- Disconnect
- Notification
- Power Outage
- Modular
- Communication



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 40 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

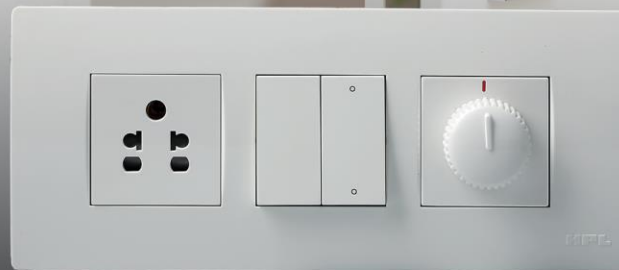
## ‘ONE-STOP SHOP’ OF LOW-VOLTAGE “CONSUMER” ELECTRIC PRODUCTS –

- 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

**Q3 & 9MFY22 -  
PERFORMANCE  
UPDATE**

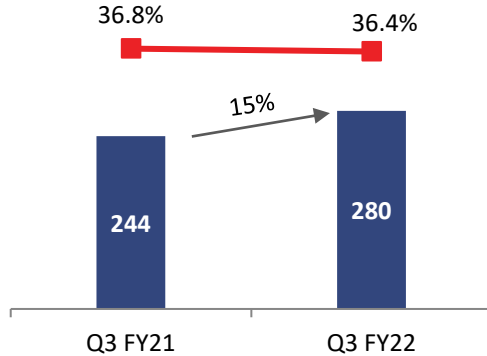


# Q3 & 9MFY22 : YoY PERFORMANCE ANALYSIS

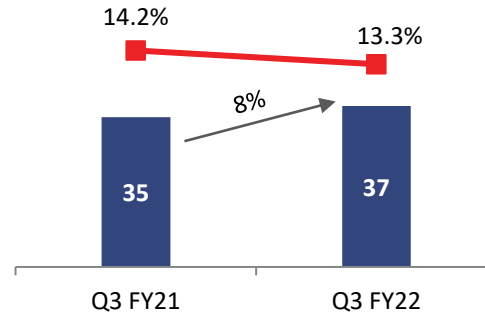


In ₹ Crore

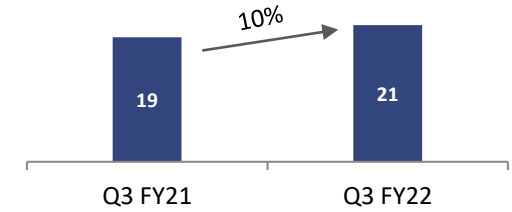
## NET REVENUES & GROSS MARGIN %



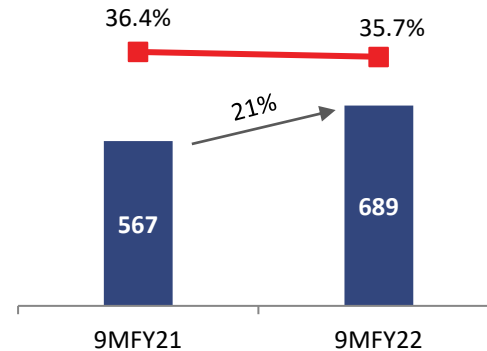
## EBITDA & EBITDA MARGIN %



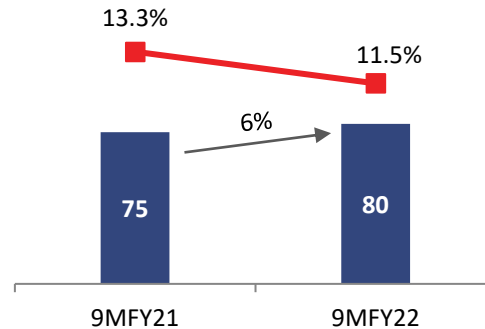
## CASH PROFIT \*



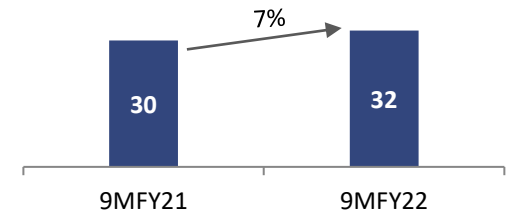
## NET REVENUES & GROSS MARGIN %



## EBITDA & EBITDA MARGIN %



## CASH PROFIT \*



Note:

\* Cash Profit = PAT + Depreciation + Taxes

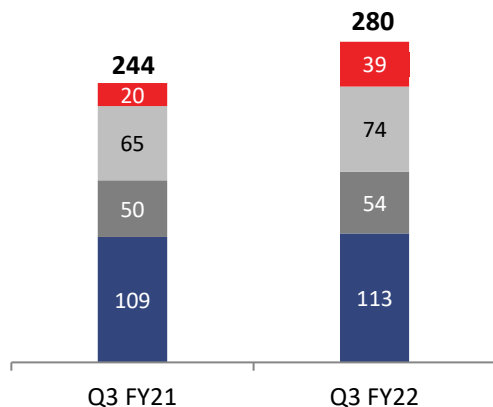
# Q3 FY22: YoY SEGMENT ANALYSIS



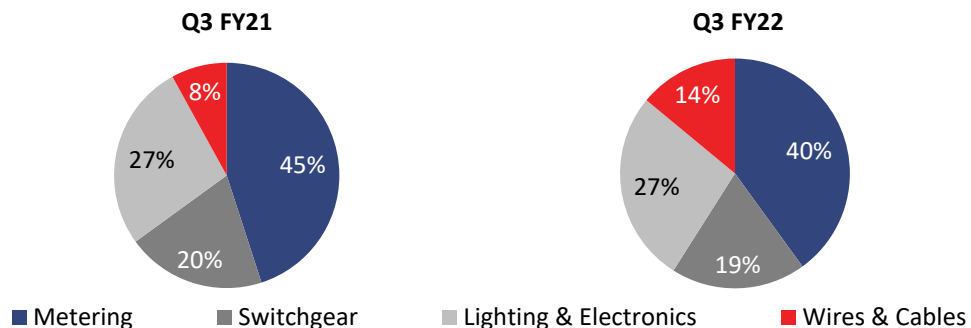
In ₹ Crore

## SEGMENT NET REVENUE & EBIT MARGIN

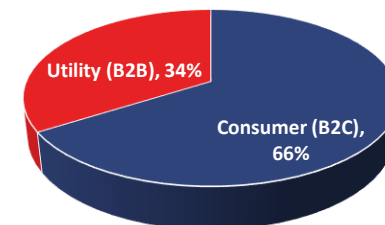
Particulars	Net Revenue			% EBIT Margin	
	Q3 FY21	Q3 FY22	% Change	Q3 FY21	Q3 FY22
Metering	109	113	3%	14.5%	15.6%
Switchgear	49	54	9%	18.4%	16.4%
Lighting	65	74	14%	10.1%	10.0%
Wires & Cables	20	39	95%	3.4%	3.2%



## SEGMENT REVENUE SHARE %



## REVENUE BREAK-UP - 'UTILITY' (B2B) & 'CONSUMER' (B2C)



**Consumer (B2C) Segment** includes Non-utility Metering, Switchgear, Lighting and Wires & Cables Segment Revenues

**Utility (B2B) Segment** includes Metering Revenues from Utilities and EESL

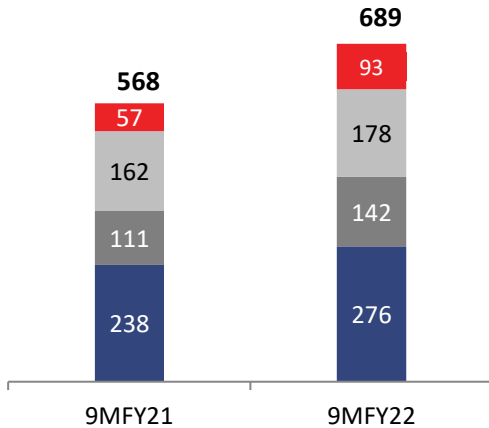
# 9M FY22: YoY SEGMENT ANALYSIS



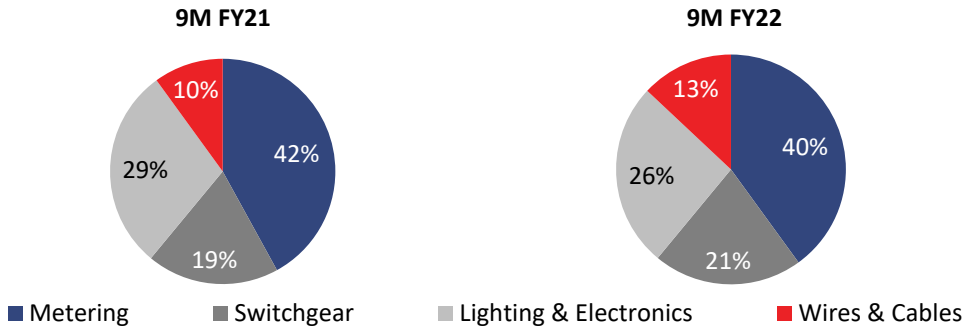
In ₹ Crore

## SEGMENT NET REVENUE & EBIT MARGIN

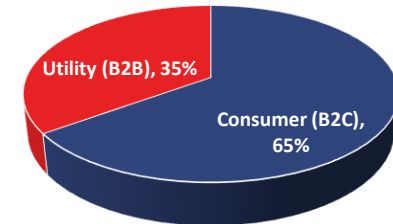
Particulars	Net Revenue			% EBIT Margin	
	9M FY21	9M FY22	% Change	9M FY21	9M FY22
Metering	238	276	16%	13.3%	11.9%
Switchgear	111	142	28%	15.5%	13.5%
Lighting	162	178	10%	8.7%	8.4%
Wires & Cables	57	93	63%	2.0%	2.9%



## SEGMENT REVENUE SHARE %



## REVENUE BREAK-UP - 'UTILITY' (B2B) & 'CONSUMER' (B2C)



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**Utility (B2B) Segment** includes Metering Revenues from Utilities and EESL



# Q3 & 9M FY22: PERFORMANCE ANALYSIS



## ❑ Strong Q3 FY22 performance across segments

- During the quarter, the overall revenues grew by **15% YoY to ₹ 280 Crores** backed by re-opening of the economy and the Government's aggressive vaccination drive lifting up consumer sentiments.
- The Metering business revenue grew by 3% YoY to ₹ 113 crores in Q1 FY22 impacted by the global chip shortage. The chip supply is expected to be normalized from Q3FY23 onwards and HPL is well placed to gain traction from the Government's drive to install 25 crores smart meters across the nation.
- The 'Consumer & Trade' segment (including non-utility meters) surged by 25% YoY to ₹ 185 crores in Q3 FY22. (Excluding non-utility meters, the 'Consumer' segment surged by 24% YoY to ₹ 168 crores in Q3 FY22).
- *Exports continued to grow at a remarkable pace of 25% YoY in Q3 FY22 and 41% YoY in 9M FY22.*

## ❑ Across segment growth in 'Consumer' products on a year-on-year basis

- The Company continued to benefit from the favourable consumer sentiments and the economy getting back normalcy resulting in higher spending on 'Consumer' products.
  - The switchgear segment revenue grew by 9% YoY to ₹ 54 crores during Q3 FY22.
  - The lighting segment revenue grew by 14% YoY to ₹ 74 crores in Q3 FY22.
  - The wires and cables segment revenue grew by 95% YoY to ₹ 39 crores in Q3 FY22.
- *Share of Consumer segment stood at **66% in Q3 FY22 as against 61% Q3 FY21.***

## ❑ EBITDA stood at ₹ 37 crores; EBITDA margin at 13.3%

- The EBITDA margin contracted by 90 bps YoY to 13.3% in Q3 FY22 due to rise in raw material prices (34 bps YoY) led by supply related shortage of chips, higher metals and industrial plastics prices. The other expenses increased by 142 bps YoY due to higher marketing spends. However, lower employee expenses (86 bps YoY) restricted further margin contraction.

## ❑ PAT grew by 11% YoY to ₹ 9 crores; PAT margin stood at 3.3%

## ❑ Current Order Book (net of GST) stood at an all time high of ₹ 879 Crores - Meters Order Book (₹ 448 crores), Switchgear (₹ 199 crores), Lighting (₹ 64 crores) and Wires & Cables (₹ 168 crores)

## ❑ **Strong order book of ₹ 879 crore ensures revenue visibility -**

- HPL has 'smart meter orders' worth ₹ 270+ crores which is expected to be executed in the coming quarters.
- The Government is expected to float ~ ₹ 10,000 crores (existing and tenders in pipeline) Metering tenders resulting to picking up enquiries, participation and winning of smart meters tenders amongst the industry players.

## ❑ **The 'Metering' segment is likely to gain momentum in FY23**

- The Inspection and enquiries for the Metering segment has experienced an uptick post re-opening of the economy. HPL will benefit from the momentum in the 'Metering' segment in FY23 and the coming years.
- The PFC has released ₹ ~300 billion in August 2020, as a part of the one-time liquidity injection of ₹ 1,200 billion to power discoms which is likely to improve their financial position materially. In order to avoid payment delays and attract investments, the Government is planning to allow smart meter operators receive first claim on consumer power bills. This will enhance the demand for new metering orders over the next one year, ensuring timely payment of dues to equipment suppliers like HPL.

## ❑ **HPL to benefit from the Smart Meter Opportunity -**

- The Government has earmarked ₹ 225 billion towards installation for 25 crores smart prepaid meters across the nation under the ₹ 3-lakh-crore power distribution scheme which is likely to give the much-desired boost to the smart-metering segment.
- The Government has installed 37.3 lakh smart electric meters till date. With Centre's funding to the States under the National Smart Grid Mission (NSGM) and Integrated Power Development Scheme (IPDS) coupled with Revamped Distribution Sector Scheme (RDSS), the installation of smart meters will gain pace in the coming quarters.
- The Electricity Bill 2021 seeks to de-license power distribution to reduce entry barriers for private players for creating competition in the segment, which would ultimately enable consumers to choose one from multiple service providers. This competition will enable improvement in the distribution services which is likely to benefit metering players like HPL.
- Current Metering order book of the company has over 60% Smart Meters orders and as the Government is pushing hard for conversion of Conventional Meters to Smart Meters, the share of Smart Meters is expected to rise even further. Smart meters to attract higher realisations, thereby leading to enhanced revenue & profitability.

## ❑ **The 'Consumer' segment is poised for strong growth trajectory in the coming quarters with normalcy in the economy, improving consumer sentiment and higher government spending towards infrastructure.**

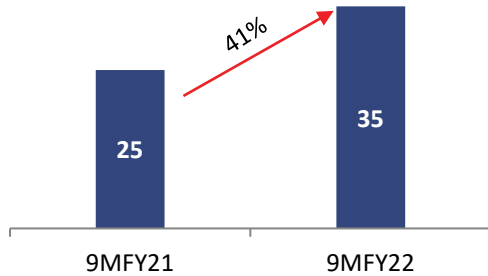
- The consumer segment has better working capital cycle and margins. As its contribution is increasing in the overall revenue, led by prudent market strategies and enhanced distribution network, the overall working capital cycle and margins are expected to improve.

## ❑ **Overall, the Company is confident of driving sustainable growth with pick up economic & infrastructure activities and positive consumer sentiments.**

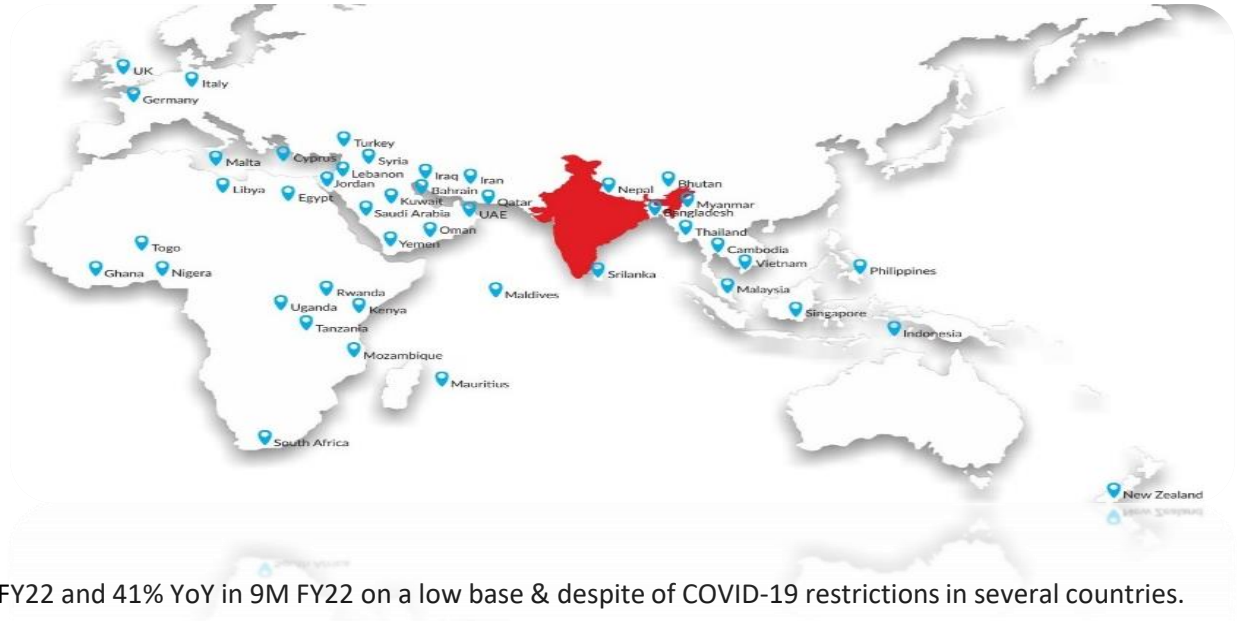
# EXPANDING ITS GLOBAL FOOTPRINT



## Exports (In ₹ Crore)



## HPL's Global Network



- Exports surged by 25% YoY in Q3 FY22 and 41% YoY in 9M FY22 on a low base & despite of COVID-19 restrictions in several countries.
- The Exports Order book remains strong owing to diversified product mix.
- The Company has its footprints in around 42 countries.

Switch gear segment drives the export share with ~ 20% of its revenue coming from exports in FY21

# CONSOLIDATED PROFIT & LOSS STATEMENT



Particulars (In ₹ Cr.)	Q3 FY22	Q3 FY21	YoY%	9M FY22	9M FY21	YoY%	FY21 #
<b>Net Revenue from Operations (Net of Excise)</b>	<b>280.0</b>	<b>244.0</b>	<b>14.8%</b>	<b>688.8</b>	<b>567.3</b>	<b>21.4%</b>	<b>875.1</b>
COGS	178.1	154.3	15.4%	442.7	361.0	22.6%	551.8
<b>Gross Profit</b>	<b>102.0</b>	<b>89.7</b>	<b>13.7%</b>	<b>246.1</b>	<b>206.2</b>	<b>19.3%</b>	<b>323.3</b>
<b>Gross Margin (%)</b>	<b>36.4%</b>	<b>36.8%</b>	<b>(34 bps)</b>	<b>35.7%</b>	<b>36.4%</b>	<b>(63 bps)</b>	<b>36.9%</b>
Employee Expenses	33.5	31.3	7.1%	88.7	73.6	20.6%	111.9
Other Expenses	31.2	23.7	31.5%	77.9	57.3	35.9%	92.4
<b>EBITDA</b>	<b>37.3</b>	<b>34.7</b>	<b>7.5%</b>	<b>79.5</b>	<b>75.3</b>	<b>5.5%</b>	<b>119.0</b>
<b>EBITDA Margin (%)</b>	<b>13.3%</b>	<b>14.2%</b>	<b>(90 bps)</b>	<b>11.5%</b>	<b>13.3%</b>	<b>(174 bps)</b>	<b>13.6%</b>
Other Income	1.1	0.8	33.6%	3.6	2.8	30.9%	4.1
Finance Costs	17.2	16.3	5.8%	50.9	48.2	5.7%	64.4
Depreciation	11.9	11.2	6.3%	35.5	33.2	6.8%	44.9
<b>PBT</b>	<b>9.3</b>	<b>8.0</b>	<b>15.2%</b>	<b>(3.3)</b>	<b>(3.3)</b>	<b>N.A.</b>	<b>13.7</b>
Taxes	(0.1)	(0.4)	N.A.	2.4	0.8	201.7%	3.7
<b>Reported PAT</b>	<b>9.3</b>	<b>8.4</b>	<b>10.6%</b>	<b>(5.7)</b>	<b>(4.1)</b>	<b>N.A.</b>	<b>10.0</b>
<b>Cash Profit *</b>	<b>21.1</b>	<b>19.2</b>	<b>10.0%</b>	<b>32.2</b>	<b>29.9</b>	<b>7.4%</b>	<b>59.0</b>
<b>PAT Margin (%)</b>	<b>3.3%</b>	<b>3.4%</b>	<b>(12 bps)</b>	<b>(0.8%)</b>	<b>(0.7%)</b>	<b>N.A.</b>	<b>1.1%</b>
<b>Earnings Per Share (EPS)</b>	<b>1.44</b>	<b>1.31</b>	<b>9.9%</b>	<b>(0.89)</b>	<b>(0.64)</b>	<b>N.A.</b>	<b>1.55</b>

Note:

# Adjusted for revenue lost/deferred on account of Covid-19, EBITDA and PAT in FY21 would have been substantially higher than reported

\* Cash Profit = PAT + Depreciation + Taxes



*“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**  
Published by SocialPilot · December 2, 2021 · 

HPL Techno RCCB has a range of 25-80Amp, 2 Pole & 4 Pole Version. It can withstand a short circuit of a capacity of 10kA.

Visit [www.hplindia.com](http://www.hplindia.com) to know more about our products!

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 **HPL Electric & Power Ltd**  
84,902 followers  
1 mo · 

PVC insulation of the HPL wires makes them extremely reliable and resistant to factors such as fire, water, and climate. Durable & superior quality material used in manufacturing, makes HPL wires energy-efficient too. ...see more

 **HPL Electric & Power Ltd** @HPL\_Official · Nov 4, 2021 

May the HPL lights bring the warmth to your life. Illuminate your homes with lots of lights and colours. HPL wishes you a very Happy Diwali!

#HPLwaliDiwali  
#hpl #hplindia #happydiwali #diwali2021 #diwalicelebrations #illuminateyourlife



## Reinforcing the Presence in the ecommerce and Modern Trade along with BTL activities



## PR Initiatives across Digital & Print media platform

### What Should Be Done to Promote Net Metering across India?

Net metering not only offers multiple benefits to the premises owner but also shows one step forward towards making a difference in the environment. The continued support from state bodies and improved grid reliability is therefore essential for the widespread adoption of industrial solar systems under net metering in India.

India plans to achieve the capacity of about 200 GW renewable power by 2030, but the most critical challenge is to dig back in the Indian electricity sector in the face of a rapid increase in coal reserves and a consequent rise in renewable energy resources. Affected by causing huge losses to the private companies in generating their share of energy. Due to the recent shortage occurring at non-renewable resources, the electricity production significantly exceeds the permitted level, leading to losses for the owner of the power generation.

Article needed to cover the current energy policy, the role of the government in promoting the solar sector, the role of the government in promoting the solar sector, the role of the government in promoting the solar sector, the role of the government in promoting the solar sector.



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March/April/December 2021  
Vol. 9, Issue 5

### Electrical Line

**HPL Electric & Power Ltd. secures Rs 178.9 cr order for Smart Meters**

HPL Electric & Power Ltd will provide different types of Smart Energy meters and related services for the project...

With the successful completion of the project, HPL will be able to provide a wide range of smart meters and related services to its customers across India.

**TRUPOWER**  
TRUPOWER PARTNERS PVT. LTD.  
100% Wholly Owned, ISO 9001:2015 Certified  
M: +91-9899000097, 9899000043

**T&D India**  
THE ENERGY BUSINESS

HOME NEWS INTERVIEW SPECIAL REPORT SPECIAL STORES BY-WAYSTION MONTHLY BILLS

### India's March Towards Prepaid Energy Metering

Share

The Union power ministry has targeted to completely migrate towards prepaid metering over the next few years. The target is to install 25 crore prepaid meters in places, with the first phase ending on October 31, 2023. This has been explained under the Revised Distribution Sector Scheme (RDSS) announced in July 2021.

T&D India, in this special study, tries to understand the challenges involved in this exercise. India today has a decade population of smart meters – estimated at some 20 lakh, as of December 3, 2021. As against this, the population of prepaid meters, as of the same date, is only around 4.25 lakh. **Read source T&D India story on prepaid metering!**



# 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

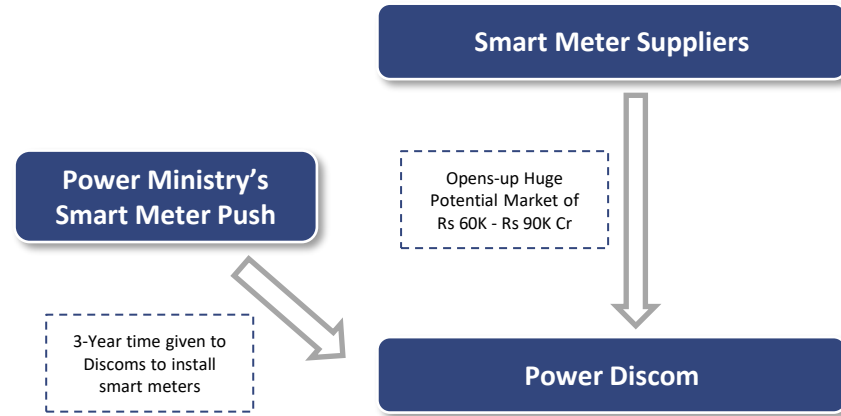


## ❑ What are smart meters? What is the opportunity size?

- 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

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

**DICKENSON**

**Mr. Chintan Mehta / Hiral Keniya**

IR Consultants, Dickenson World

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

Contact no: +91 9892183389 / 9029662801