



HPL Electric & Power Limited

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29th May, 2023

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
25th 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 Tuesday, 30th May, 2023 at 1:00 PM IST is enclosed herewith.

The said Earnings Presentation has also been uploaded on the Company's website i.e. 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



Q4 & FY23 Results Update

March 2023



www.hplindia.com



Disclaimer

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

www.hplindia.com

- 01 Company Overview

- 02 Q4 & FY23 - Performance Update

- 03 Business Strategy



01

Company Overview



01 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

02 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 *

03 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

Company Overview Profile



04 Established Pan-India Distribution Presence

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

05 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

Note: * Frost & Sullivan 2016

Wide-Ranging Product Portfolio



- HPL is the “ONE-STOP SHOP” for Low Voltage Electrical Equipment 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 the forefront to capture **GROWTH OPPORTUNITIES**

Product Portfolio

Sub-brands

Customers

Metering Solutions

Smart Meter



Net Meter



Prepaid Meter



Trivector Meter



emfis

Industrial Switchgears

Industrial Applications

ACB



MCCB



Onload Changeover Switch



Automatic Transfer Switch



Solar Applications

DC Disconnecter



String Combiner Box



solar street light



Solar Cable



Domestic Switchgears

Domestic Applications

Osafe MCB



Techno (N) MCB



RCCB



Phase Selector



Modular Switch & Accessories

Toggle Switches



Plug Sockets



Push Bells



smART
ART MEETS STATE-OF-THE-ART

Lighting Equipment

Consumer LED Products

Aries LED



LED Glow 9W



Commercial LED Products

Mitered



CRCA Panel



Outdoor LED Products

Street Light



LED Flood Light



Wires and Cables

Fire Resistant Cables



Co-axial Cables



Solar Cables



Networking / Telecom Cables



Power Utilities

Public & Private Enterprises

Residential & Commercial Users

Company Overview

State of Art Manufacturing Facilities



Gurugram

Facility I: Electronic Meters, R&D Center for Smart Meters

Facility II: Lighting Equipment and Electronic Meter Parts



Jabli

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

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



Kundli

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

Facility II: Lighting Equipment



Gharanda

Products: Wires and Cables

Product Segments	Capacity (per annum)
Electronic Meters	11 million units
Lighting Equipment	26 million units
Switchgear	16 million units
Wires & Cables	194 million meters

Quality & Compliance Certifications



ISO-27001:2005

ISO-9001:2000



Strong R&D Thrust - Consistent Technology Upgradation



- **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

Continuous R&D to Launch and Market Exciting New Innovative Products

Switchgear



800V AC ACB for Solar Application



Submersible Pump Control Unit (DOL SPCU & Star Delta SPCU)

Trade Lighting



DOB Bulb launched in
5W/7W/9W



Inverter Bulb
12W/15W

Wire & Cable



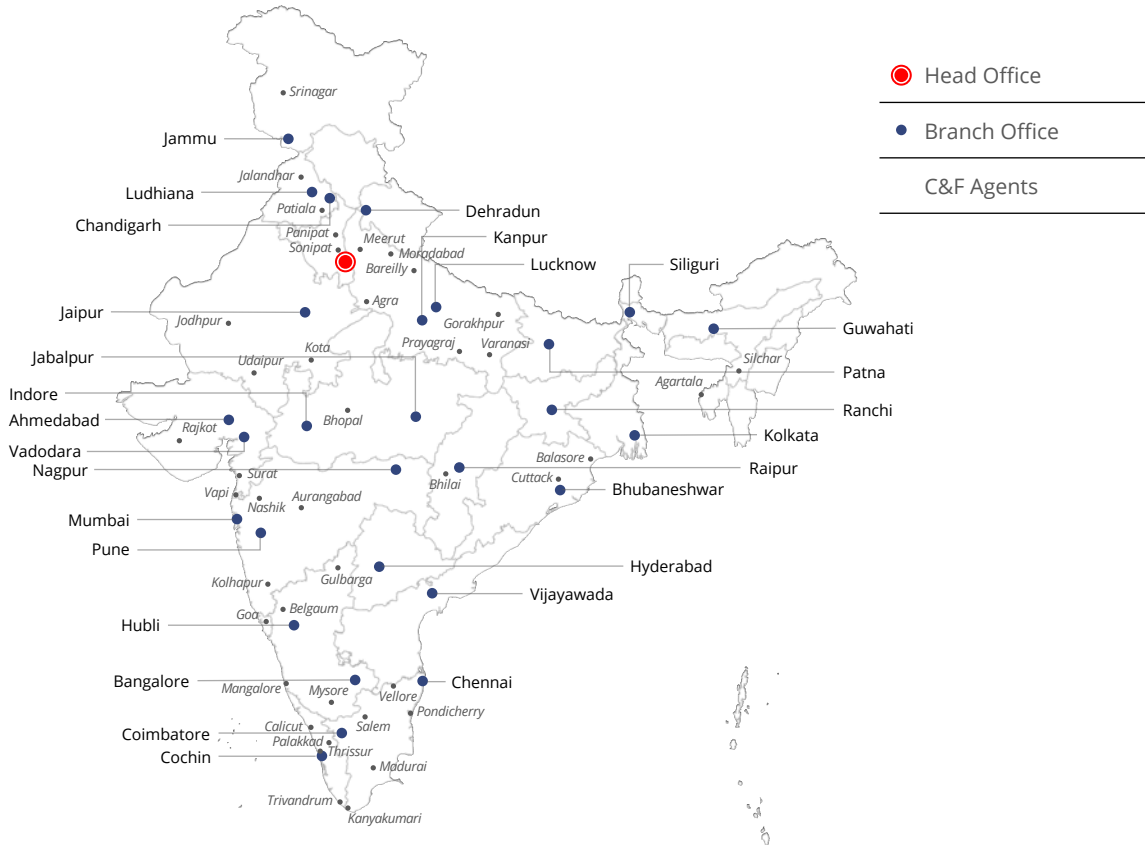
Elevator Cable

Company Overview

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 (C&F) model for sale and supply through authorized dealers

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



Company Overview

Extensive Experience, Established Relationships, Strong Credentials

Strong execution, established relationships and strong pre-qualification credentials make HPL a preferred supplier of specialised electrical equipment



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

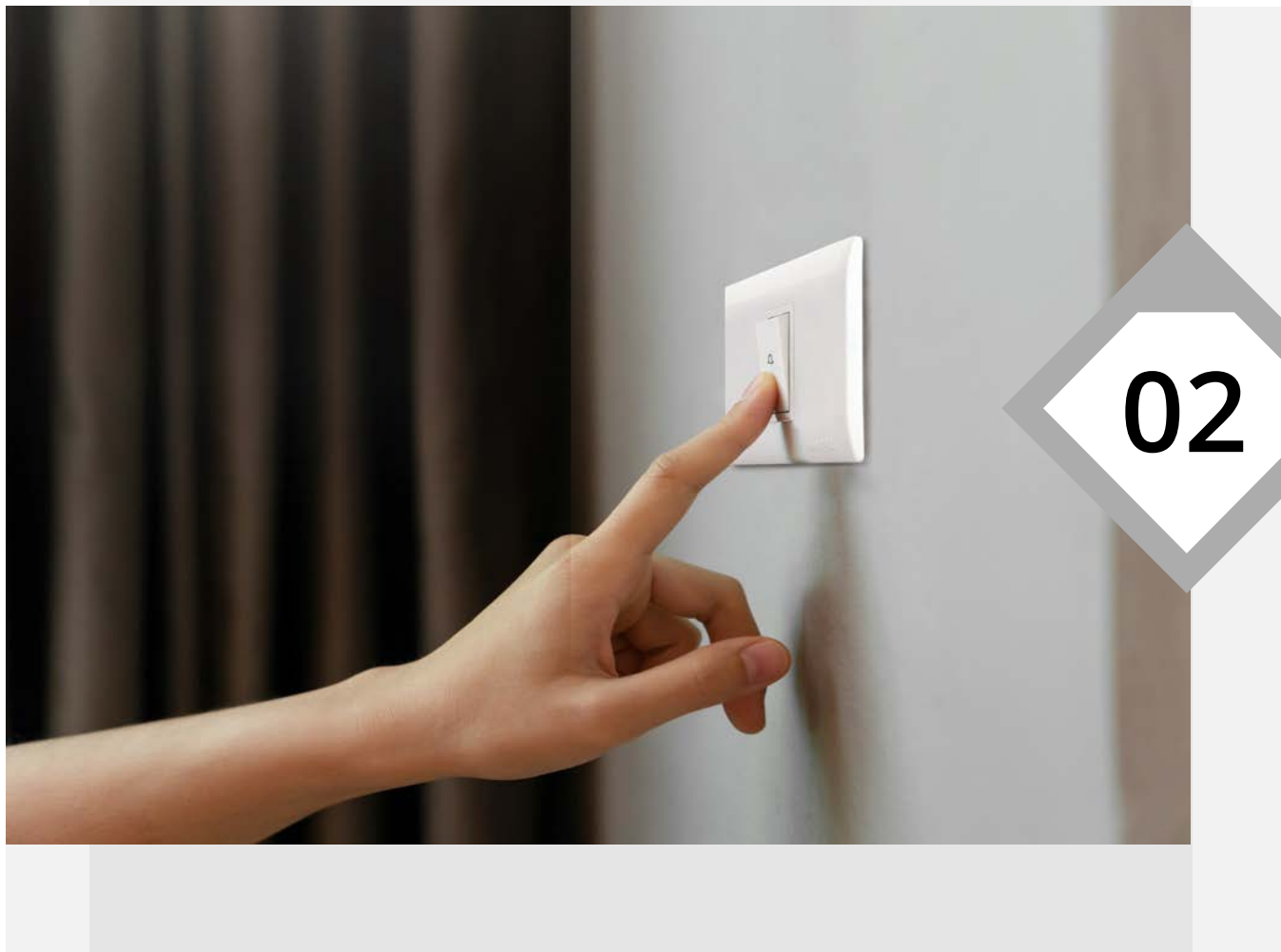


Strong Pre-qualification Credentials

- 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



02

Q4 & FY23
**Performance
Update**

FY23 Salient Highlights



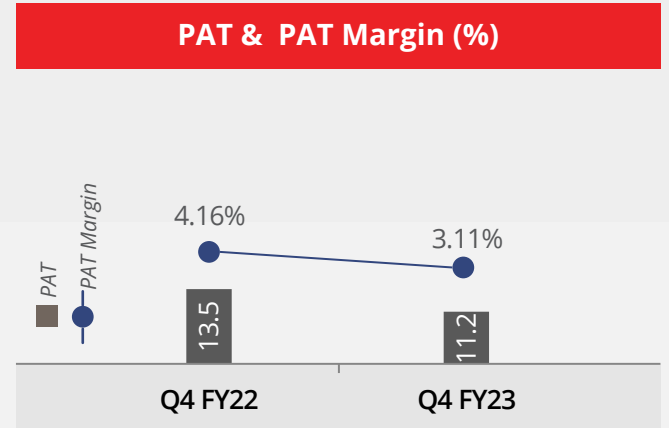
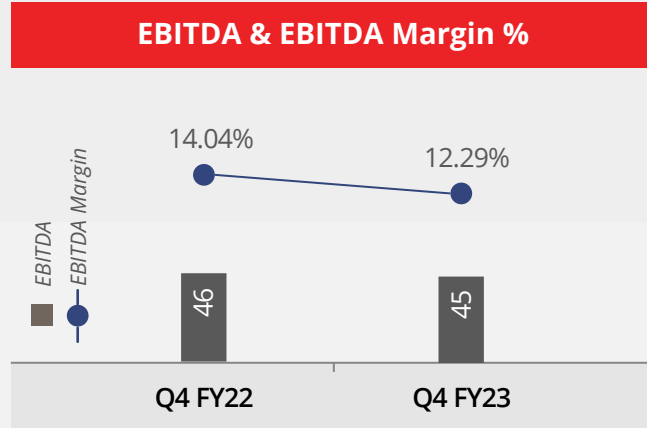
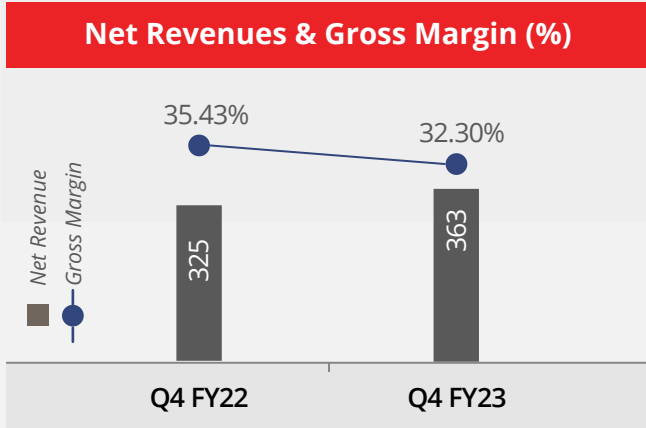
- **The Company registered robust double-digit growth** as revenue increased by 24.48% in FY23.
- **EBITDA registered a sharp increase** of 25.36% where EBITDA is ₹ 156.9 crores in FY23.
- **Improvement in ROCE**
- **Reduction in inventory days by 38 days**
- **Order book strong at ₹ 1500+ crore**
- **Profit Before Tax stood strong** at ₹ 46.7 crore in FY23.
- **Profit After Tax stood strong** at ₹ 30.2 crore in FY23.
- **EPS stood** at ₹ 4.69 in FY23 as compared to EPS of ₹ 1.21 in FY22.
- **Metering & Systems segment revenue grow** by 50.87% in FY23.



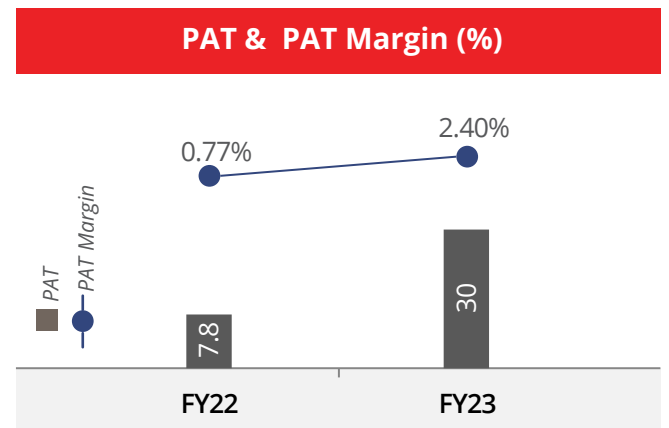
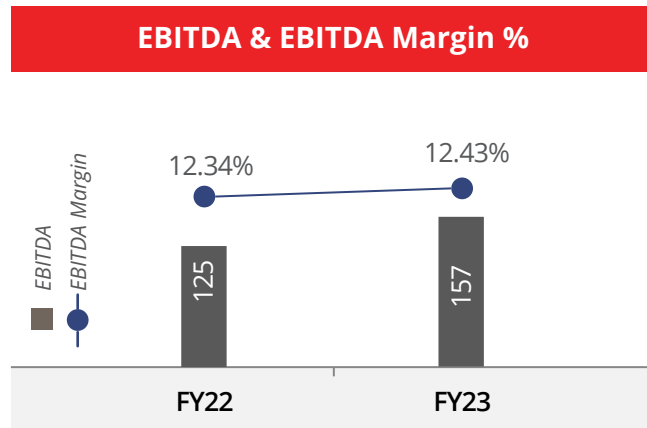
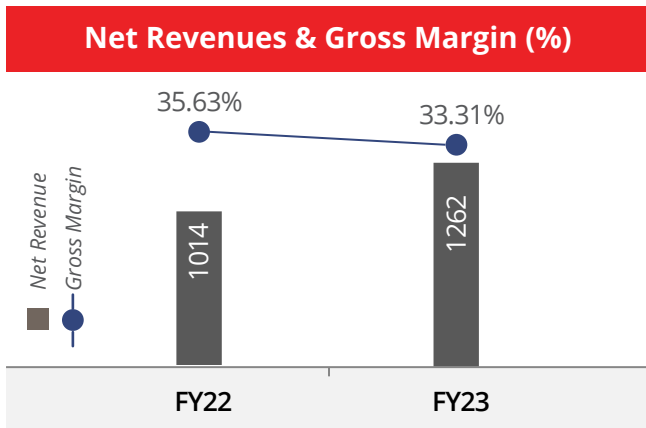
Q4 & FY23 : YoY Performance Analysis



Q4 FY23 (in ₹ crore)



FY23 (in ₹ crore)

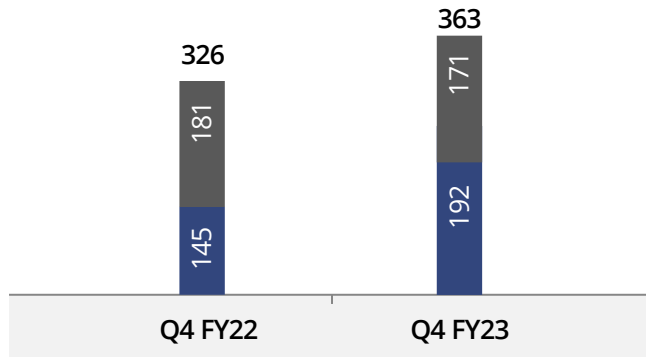


Q4 FY23 : YoY Segment Analysis



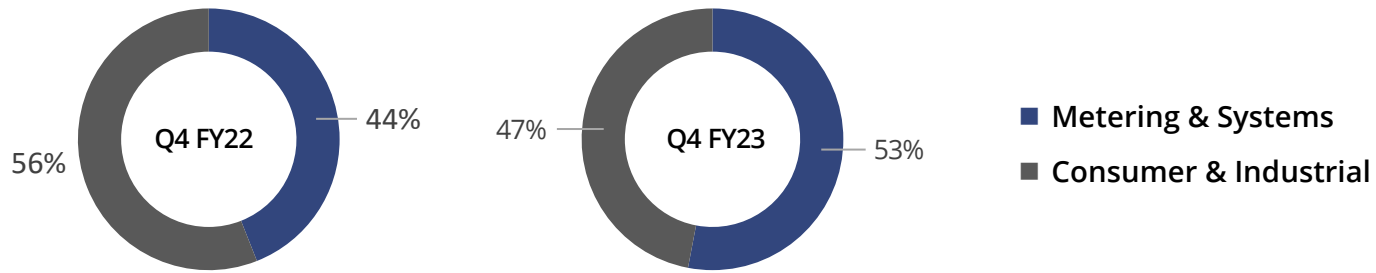
(in ₹ crore)

Segment Net Revenue & EBIT Margin



% EBIT Margin	Q4 FY22	Q4 FY23
■ Metering & Systems	16.05%	14.09%
■ Consumer & Industrial	12.39%	11.93%

Segment Revenue Share %



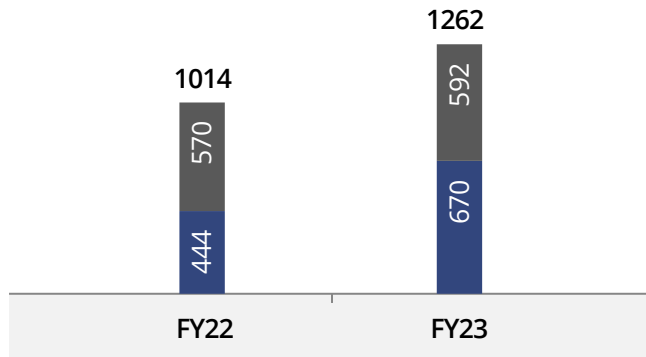
Management has changed its segmental reporting by consolidating/restructuring on the basis of similar economic, market and business characteristics. Thereby the two new reportable segments identified are **Consumer & Industrial** by aggregating wire & cables, lighting, luminaries and switchgear business 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.

FY23 : YoY Segment Analysis



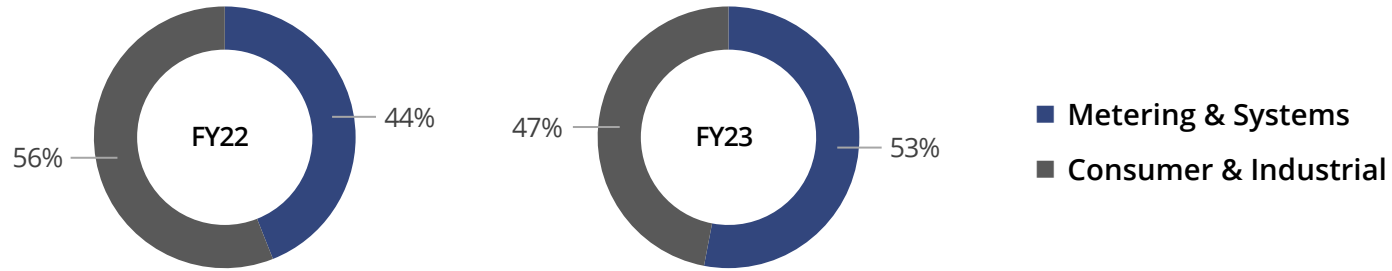
(in ₹ crore)

Segment Net Revenue & EBIT Margin



% EBIT Margin	FY22	FY23
■ Metering & Systems	12.31%	13.62%
■ Consumer & Industrial	10.64%	11.83%

Segment Revenue Share %



Q4 & FY23 Performance Update

Q4 & FY23 : Performance Analysis



Strong Performance in Q4 & FY23 led by robust performance in the metering and systems segment.

- The Company registered a strong performance YoY and revenue surged by 24.48% in FY23 to ₹ 1262 crore as compared to ₹ 1014 crore in FY22.
- Revenue increased by 11.57.% in Q4 FY23 to ₹ 363 crore as compared to ₹ 325 crore in Q4 FY22.
- Revenue in Consumer & Industrial segment increased by 28.9% in Q4 FY23 to ₹ 17114.68 crore as compared to ₹ 13279.38 crore in Q3 FY23.
- Revenue in Metering & Systems segment increased by 13.52% in Q4 FY23 to ₹ 19160.62 crore as compared to ₹ 16879.13 crore in Q3 FY23.
- Gross profit improved by 16.37% and stood at ₹ 420.45 crore in FY23 as compared to ₹ 361.29 crore in FY22.
- EBITDA grew by 25.36% YoY in FY23 where EBITDA is ₹ 156.86 crore as compared to ₹ 125.12 crore in FY22. EBITDA margin expanded by 9bps and stood at 12.43% in FY23 as compared to 12.34% in FY22.
- PBT stood at ₹ 46.68 crore in FY23 as compared to ₹ 13.93 crore in FY22. In FY23 PBT grew by 235% YoY and stood at ₹ 46.68 crore.

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

- In the Metering & Systems segment revenue grow by 50.87% YoY to ₹ 670 crore in FY23 from ₹ 444 crore in FY22. Consumer & Industrial segment revenue grows by 3.92% YoY to ₹ 592 crore in FY23 from ₹ 570 crore in FY22.
- The Metering & Systems segment revenue grow by 32.48% YoY to ₹ 191.60 crore in Q4FY23 from ₹ 144.62 crore in Q4FY22. In Consumer & Industrial segment revenue stood at ₹ 171.14 crore in Q4FY23.
- The Metering & Systems segment registered EBIT growth of 66.98% in FY23, where EBIT stood at ₹ 91.3 crore in FY23 as compared to ₹ 54.7 crore in FY22. Consumer & Industrial segment registered EBIT growth of 15.55% where EBIT stood at ₹ 70.0 crore in FY23 as compared to ₹ 60.6 crore in FY22.
- EBIT of Metering & Systems segment registered 16.28% growth in Q4FY23 as compared to Q4FY22.
- EBIT of Metering & Systems segment increased by 14.86% in Q4 FY23 to ₹ 2698.99 crore as compared to ₹ 2349.73 crore in Q3 FY23.
- EBIT of Consumer & Industrial segment increased by 33.09% in Q4 FY23 to ₹ 2040.99 crore as compared to ₹ 1533.5 crore in Q3 FY23.
- Both segments registered healthy EBIT margins. The Metering & Systems segment registered EBIT margin of 13.62% in FY23 as compared to 12.31% in FY22 and the consumer & Industrial segment registered EBIT Margins of 11.83% in FY23 as compared to 10.64% in FY22.

Update & Business Outlook



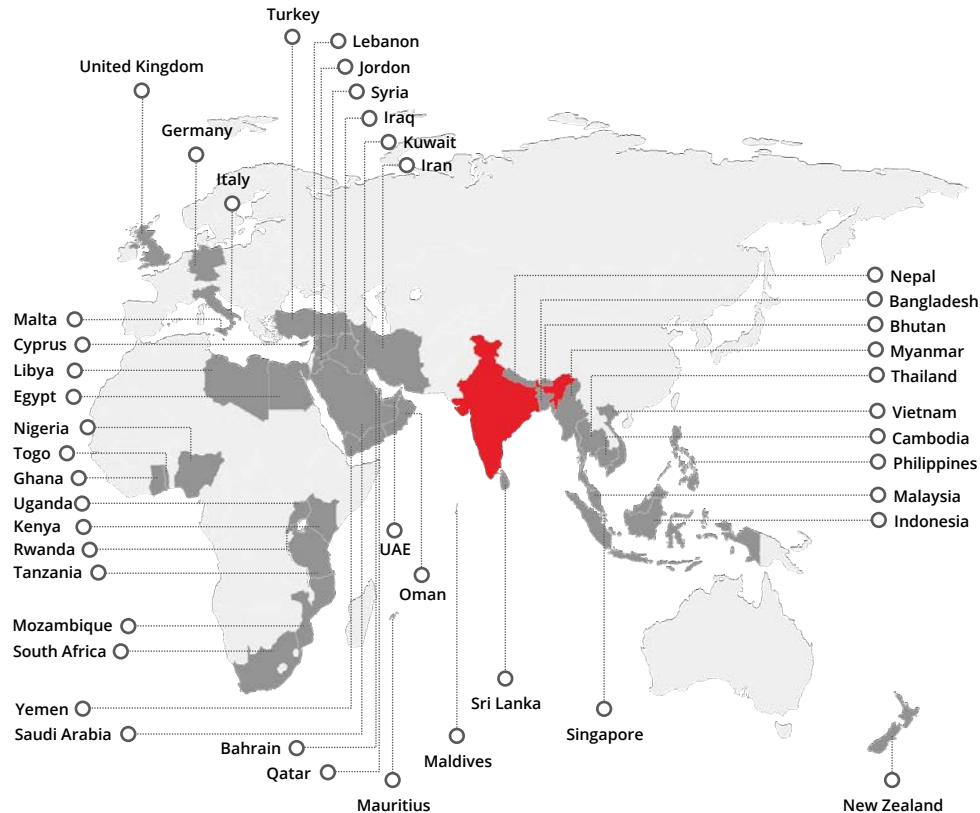
- Received its first set of formal orders for supply of 5G electric products in the current year including cables to the top telecom companies. Our growth outlook for this segment looks promising and the Company anticipates an additional ~ ` 150 Cr+ business in the near to medium term from this segment.
- **The company is holding very strong and stable order book and executing the current order on fast-track mode to maintain a healthy execution of current pipeline.**
- **The 'Metering & Systems' segment will be the driving segment and anticipated to receive good traction.**
 - ❖ Metering segment received very good traction in this quarter and have good inspection and inquiries in pipeline.
- **Smart Meters are the next game changer in the growth-building process.**
 - ❖ Smart meter will be the leading player in the growth building story of the HPL.
 - ❖ The 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 75% 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 ₹ 1554 crores ensures revenue visibility for the short and medium term.**
 - ❖ Meter & systems contribute 82% and the consumer and industrial segment contributes 18% 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.**

Expanding its Global Footprint



HPL exports continue to see good growth in orders.

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



- **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



HPL Stall at - "MEE'2023", Dubai, 7th to 9th March 2023

Consolidated Profit & Loss Statement



Particulars (In ₹ Crore)	Q4 FY23	Q4 FY22	YoY%	FY23	FY22	YOY%
Revenue from Operations	362.75	325.13	11.57%	1262.20	1013.95	24.48%
COGS	245.57	209.92	16.98%	841.75	652.65	28.97%
Gross Profit	117.17	115.20	1.71%	420.45	361.29	16.37%
Gross Margin (%)	32.30%	35.43%	(313 bps)	33.31%	35.63%	(232 bps)
Employee Expenses	37.99	35.13	8.13%	143.80	123.83	16.13%
Other Expenses	34.59	34.42	0.49%	119.77	112.32	6.63%
EBITDA	44.58	45.64	(2.32%)	156.86	125.13	25.36%
EBITDA Margin (%)	12.29%	14.04%	(175 bps)	12.43%	12.34%	9 bps
Finance Costs	20.03	17.37	15.32%	75.37	68.31	10.34%
Depreciation	8.36	11.58	(27.75%)	38.36	47.07	(18.51%)
Other Income	1.30	0.57	129.31%	3.56	4.19	(15.12%)
Profit Before Tax	17.48	17.25	1.33%	46.68	13.93	235.04%
PBT Margin (%)	4.82%	5.31%	(49 bps)	3.70%	1.37%	232 bps
Taxes	6.21	3.73	66.56%	16.43	6.13	168.16%
Profit After Tax	11.26	13.52	(16.68%)	30.24	7.80	287.58%
PAT Margin (%)	3.11%	4.16%	(105 bps)	2.40%	0.77%	163 bps
Earnings Per Share (EPS)	1.75	2.10	NA	4.69	1.21	287.60%

Consolidated Balance Sheet Statement



Particulars (In ₹ Crore)	FY23	FY22	Particulars (In ₹ Crore)	FY23	FY22
Equity And Liabilities			Assets		
Shareholder's Funds	795.35	766.24	Non-Current Assets	497.47	502.46
Equity Share Capital	64.3	64.3	Property, plant and equipment	449.88	437.64
Other Equity	729.22	700.19	Capital work in progress	8.72	10.16
Minority Interest	1.82	1.76	Right of use Assets	1.53	2.74
			Intangible Assets	-	6.61
			Financial Assets		
Non-Current Liabilities	83.87	80.54	Loans	2.38	2.65
Borrowings	46.98	58.47	Deferred tax assets (Net)	21.64	29.43
Lease Liabilities	0.7	1.82	Other non-current assets	13.32	13.22
Other Financial Liabilities	28.35	12.95			
Provisions	7.84	7.3	Current Assets	1203.26	1135.39
			Inventories	486.02	506.73
Current Liabilities	821.51	791.06	Trade receivables	602.81	505.19
Borrowings	551.17	536.03	Cash & cash equivalents	33.05	39.08
Lease Liabilities	1.05	1.14	Other bank balances	37.27	41.17
Trade Payables	230.01	228.64	Loans	0.78	0.63
Other Financial Liabilities	22.83	17.12	Other financial assets	13.37	16.02
Other Current Liabilities	10.58	3.7	Current tax assets (Net)	0.1	1.56
Provisions	5.8	4.44	Other current assets	29.86	25.02
Total Equity and Liabilities	1700.73	1637.85	Total Assets	1700.73	1637.85

Q4 & FY23 Performance Update

Marketing Campaigns – Amplifying Our “Social Media” Presence -



“Garnered Reach of Over 20 Million”

Amplified our Brand Presence Through Social Media Handles

Conducted as well as Sponsored various Industrial Webinars and Virtual Exhibitions



Over 1,00,000+ followers

Over 70,000+ followers

Elite Channel Connects & Meets



01



Electrician Meet, Cochin

02



Electrician Meet, Ahmedabad

03



Electrician Meet, Kohlapur

04



Nukkad Meet, Delhi

05



Electrician Meet, Jaipur

06



Jammu Retailer Meet

Q4 & FY23 Performance Update Exhibitions '2023



ELECRAMA '2023



ELECRAMA '2023



MEE- Dubai '2023



MEE- Dubai '2023

Spreading the Brand Presence



1. *Electrician Meet, Nagpur*
2. *Electrician Meet, Cochin*
3. *Retailer Association Meet, Ahmedabad*
4. *Electrician Meet, Ahmedabad*
5. *Technical Seminar, Roorkee, UK*

01



04



03



02



05

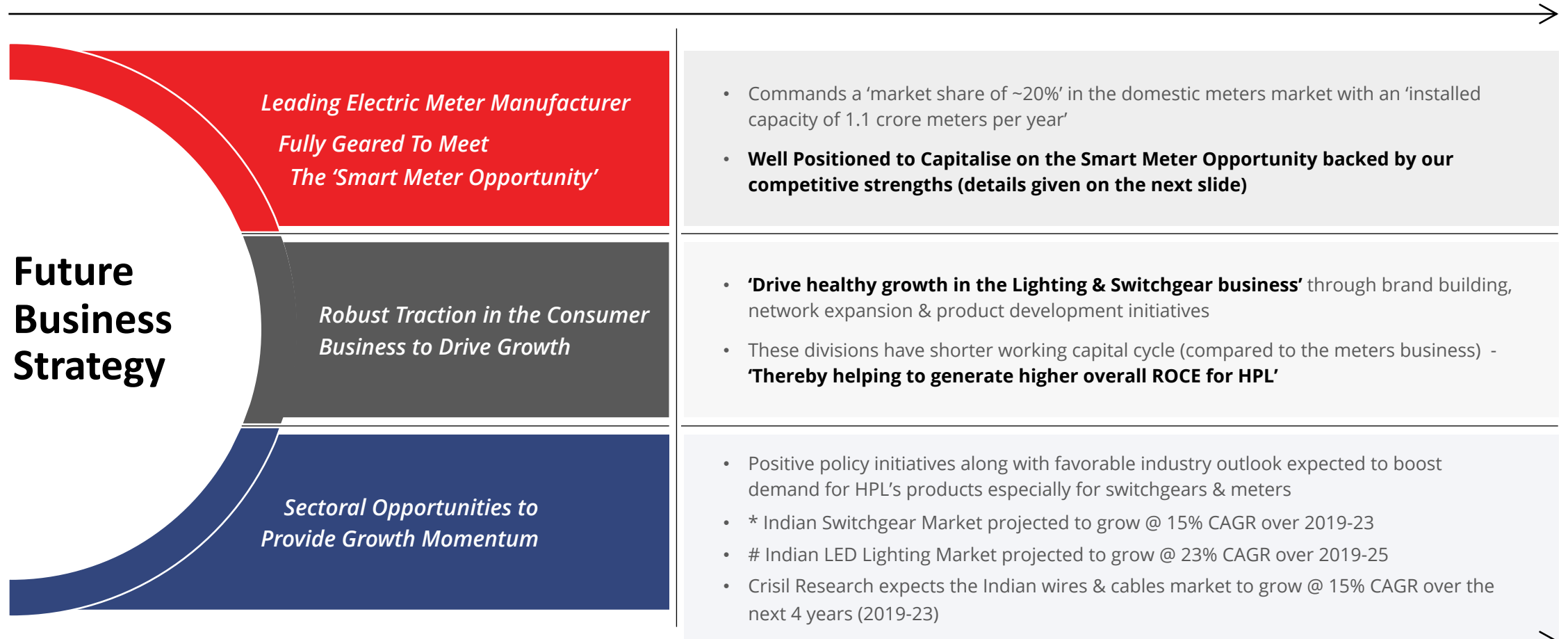




03

Business Strategy

Future Business Strategy for Value Creation



Smart Meters – “Gamechanging Initiative” With Enormous Potential

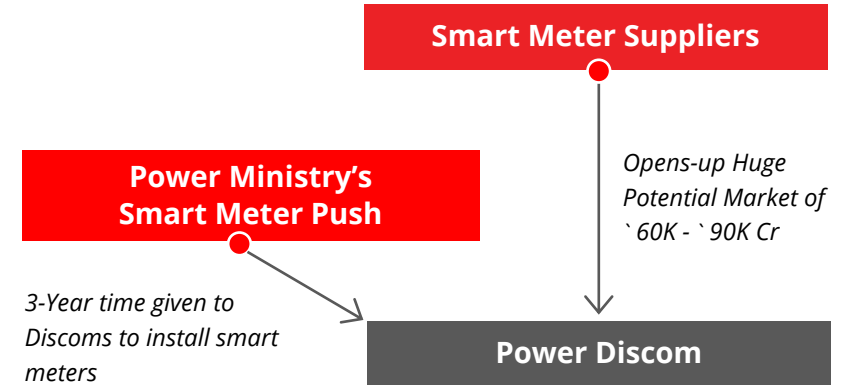


- **What are smart meters? What is the opportunity size?**

- ❖ 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 `60,000 to `90,000 crore’*

- **Why should the “Utilities” install smart meters?**

- ❖ India’s discoms owed `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**

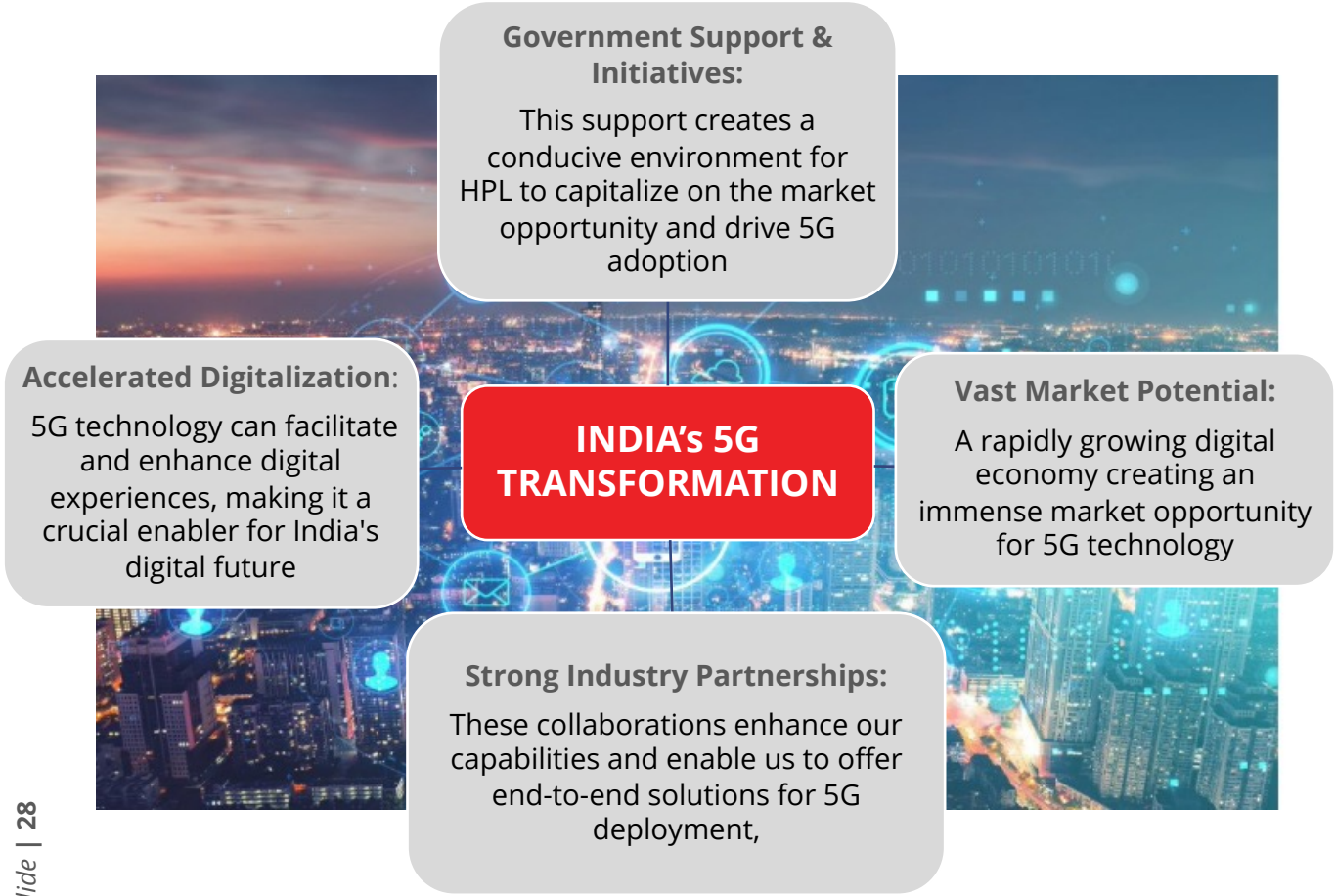
- ❖ Being a leading player with a successful track record of supplying meters over the last 2 decades, HPL is well positioned to capitalise on the smart meter opportunity
- ❖ Bagged orders worth `100+ crore for meter with smart communication technology and with RF and IRDA communication in the last couple of years

HPL’s Competitive Edge

- | | |
|--|---|
| ✓ Market Leading Player | • Commands a ‘market share of ~20%’ in the domestic meters market with an ‘installed capacity of 1.1 crore meters per year’ |
| ✓ Comprehensive Product Portfolio | • Conventional, and smart meters (including prepaid meters, software communication driven meters) |
| ✓ Long-standing Relationships | • Successful track-record of supplying to most state and central utilities for the last 2 decades |
| ✓ Strong Pre-qualification Credentials | • IS 16444 certified products |
| ✓ Strong Thrust on Quality, Product Innovation & Cost Competitiveness | • 2 R&D Centers housing over 100 experts having rich experience in the electrical industry (launched 3 new products in FY21)
• Integrated Operations help achieve cost competitiveness |



Fuelling Innovation Across Industries: The “Transformative Potential” of 5G



HPL's Competitive Edge

✓ Extensive Expertise & Product Portfolio	<ul style="list-style-type: none"> Leadership in smart metering and power solutions, HPL Electric & Power Ltd. bringing a wealth of experience to the 5G market
✓ Technological Innovation	<ul style="list-style-type: none"> Investing in R&D towards enabling efficient energy management, optimized resource utilization, and enhanced operational efficiency integrated with 5G technology across diverse industries
✓ Strong Partner Network	<ul style="list-style-type: none"> Forging strategic partnerships with leading telecommunications companies and infrastructure providers
✓ Reliability & Quality	<ul style="list-style-type: none"> Adhering to stringent quality standards and establishing robust quality control processes meeting the highest industry benchmarks
✓ Sustainable and future-proof solutions	<ul style="list-style-type: none"> Designing solutions to be sustainable and future-proof, ensuring that they can adapt to evolving technologies and industry requirements



Business Strategy

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 revenue**
- 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**

• **Continuous Product Development & Innovation**

- ❖ Launched new innovative range of products in the lighting and switchgear segment in FY22-23 -
 - ✓ **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 - 66% increase in retailer Nos. in the last 2 years from the existing 45,000 retailers to 1,00,000 retailers by March 2025**
- ❖ 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**

Thank You

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