



HPL Electric & Power Limited

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9th August, 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 Friday, 11th August, 2023 at 12:00 Noon 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



Q1FY24 Results Update

June 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

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Company Overview



Q1FY24- Performance Update



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**
 - ❖ **72,000+ 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 forefront to capture **GROWTH OPPORTUNITY**

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

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



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



APFC



Motor Starters (Direct-on-line & Star Delta)



Single Phase Submersible Pump Control Unit

Lighting



Street Light 125 LM



Linear Light



7W-12 W High GLO
LED bulb (DOBs)



Musk 3in1 LED
BULB 8W



12 W LED Kasper
Inverter bulb



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 53 years of experience
- More than 31 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

Q1FY24
**Performance
Update**

Q1FY24 Salient Highlights



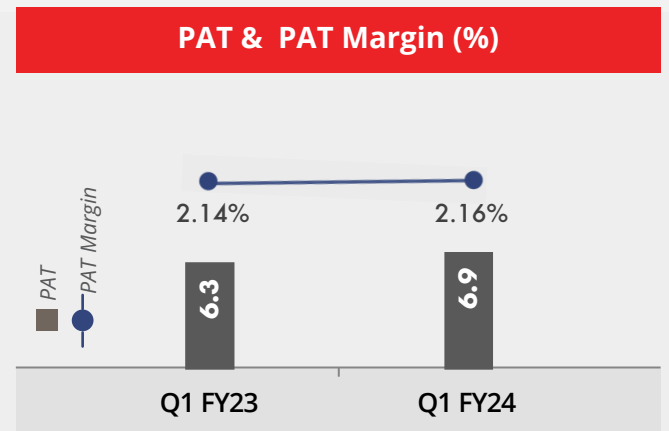
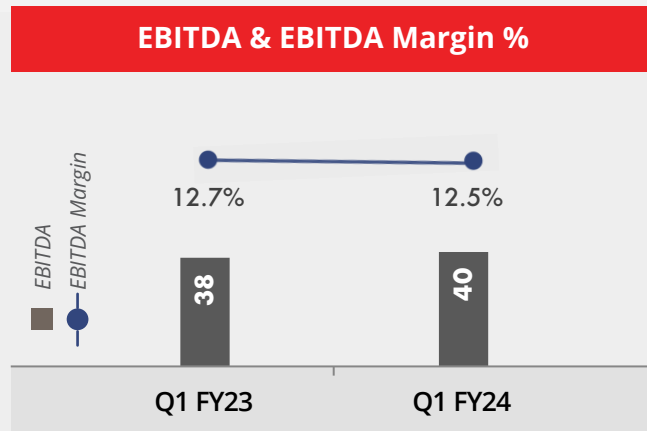
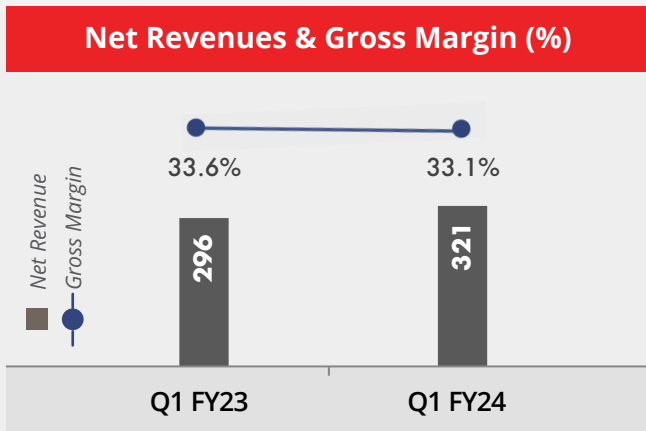
- **The Company registered revenue growth** with an increase by 8.51% in Q1 FY24.
- **EBITDA registered a stable increase** of 6.36% where EBITDA is ₹ 40.04 crores in Q1 FY24.
- **An Improvement in EBITDA Margins.**
- **Order book strong at ₹ 2000+ crore** as on 4th July, 2023.
- **Profit Before Tax stood** at ₹ 10.8 crore in Q1 FY24.
- **Profit After Tax stood** at ₹ 6.94 crore in Q1 FY24.
- **EPS stood** at ₹ 1.08 in Q1 FY24 as compared to EPS of ₹ 0.98 in Q1 FY23.
- **Metering & Systems segment revenue grow** by 19.77% in Q1 FY24.



Q1FY24: YoY Performance Analysis



Q1 FY24 (in ₹ crore)

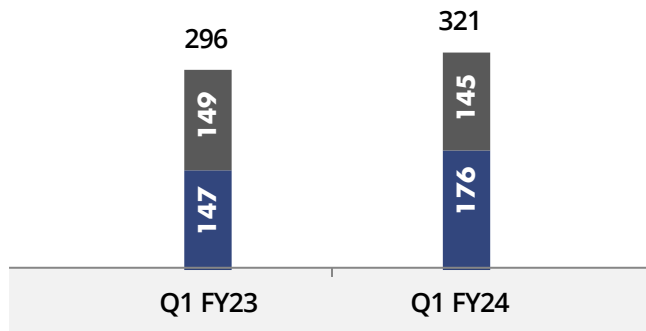


Q1FY24 : YoY Segment Analysis



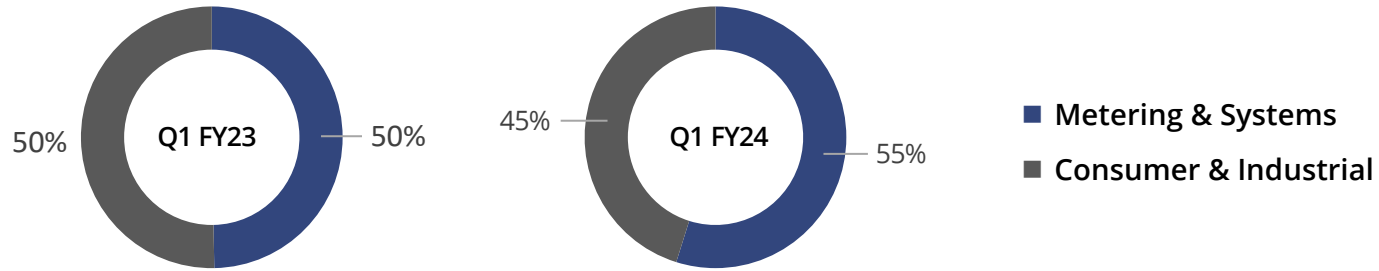
(in ₹ crore)

Segment Net Revenue & EBIT Margin



% EBIT Margin	Q1 FY23	Q1 FY24
■ Metering & Systems	12.86%	14.33%
■ Consumer & Industrial	12.06%	11.28%

Segment Revenue Share %





Performance Update

Q1FY24: Performance Analysis

Strong Performance in Q1 FY24 led by the metering and systems segment.

- The Company registered a performance YoY and revenue increased by 8.51% in Q1 FY24 to ₹ 321 crore as compared to ₹ 296 crore in Q1 FY23.
- Gross profit improved by 6.90% and stood at ₹ 106.05 crore in Q1 FY24 as compared to ₹ 99.20 crore in Q1 FY23.
- EBITDA grew by 6.36% YoY in Q1 FY24 where EBITDA is ₹ 40.04 crore as compared to ₹ 37.64 crore in Q1 FY23. EBITDA margin contracted by 25bps and stood at 12.48% in Q1 FY24 as compared to 12.74% in Q1 FY23.
- PBT stood at ₹ 10.78 crore in Q1 FY24 as compared to ₹ 9.69 crore in Q1 FY23. In Q1 FY24 PBT grew by 11.24% YoY.
- In the Metering & Systems segment revenue grow by 19.77% YoY to ₹ 176 crore in Q1 FY24 from ₹ 147 crore in Q1 FY23. Consumer & Industrial segment revenue declined marginally by 2.62% YoY to ₹ 145 crore in Q1 FY24 from ₹ 149 crore in Q1 FY23, mainly due to price erosion in the lighting segment.

Update & Business Outlook



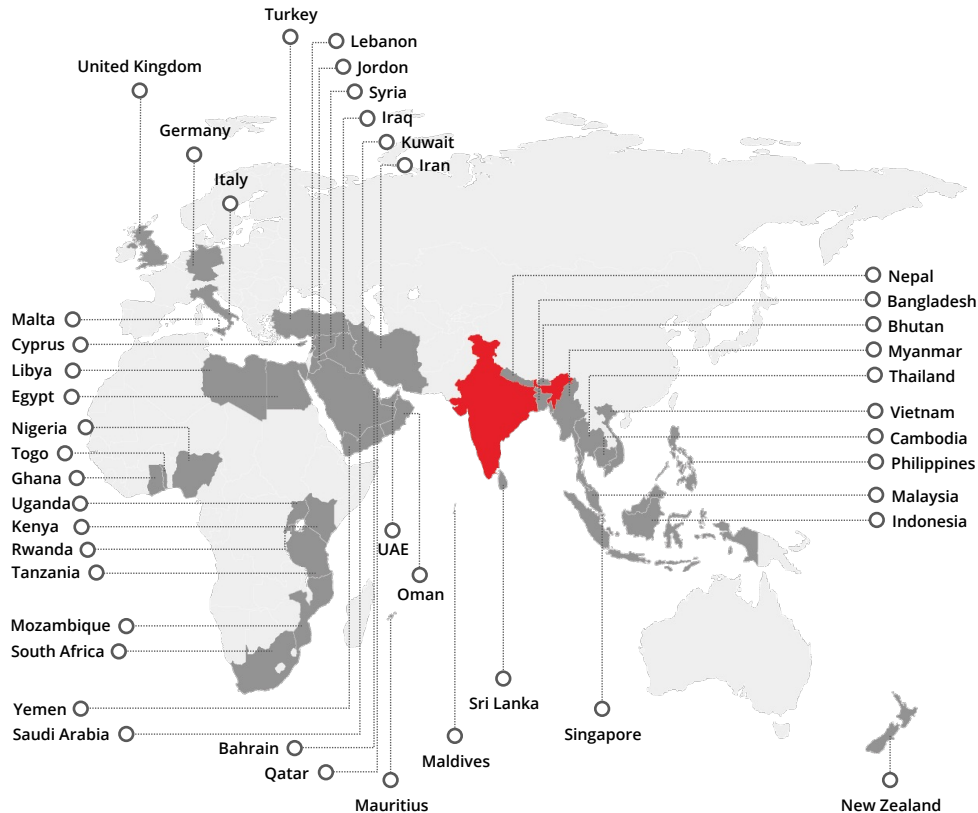
- Continues to receive orders for supply of 5G electric products in the current year including cables to the top telecom companies. Our growth outlook for this segment looks promising and the Company anticipates an additional ~ ₹ 150 Cr+ business in the near to medium term from this segment.
- **The 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.
 - ❖ Overall, there is positive performance in the Consumer & Industrial segment with growth in switchgear and wire & cables; however, lighting faced value erosion as an industry-wide phenomenon, leading to price reductions and mild sales impact.
 - ❖ 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 ₹ 2000+ 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

HANNOVER MESSE GERMANY, 2023

THANK YOU FOR VISITING US!

We would like to take the opportunity to thank you for visiting our stall at **HANNOVER MESSE, GERMANY 2023**. The exhibition gave us the opportunity to highlight our wide range of products such as Smart Meters, Switchgears, Wires & Cables, Fans, Lighting and Solar Products. Please do not hesitate to contact us if you have any questions or feedback that you would like to share. We hope that you enjoyed the exhibition and that you received the answers you were looking for. We look forward to see you again and establish business relationship.

■ GLIMPSE OF THE EXPO ■

www.hpindia.com

Hannover Exhibition attended in Germany (17th to 21st April, 2023)

Performance Update

Q1FY24 Consolidated Profit & Loss Statement



Particulars (In ₹ Crore)	Q1 FY24	Q1 FY23	YoY%
Revenue from Operations	320.74	295.59	8.51%
COGS	214.69	196.39	9.32%
Gross Profit	106.05	99.20	6.90%
Gross Margin (%)	33.06%	33.56%	(50 bps)
Employee Expenses	38.22	34.04	12.28%
Other Expenses	27.79	27.52	1.00%
EBITDA	40.04	37.64	6.36%
EBITDA Margin (%)	12.48%	12.74%	(26 bps)
Finance Costs	21.54	17.53	22.90%
Depreciation	8.66	11.41	(24.12%)
Other Income	0.95	0.99	(4.29%)
Profit Before Tax	10.78	9.69	11.24%
PBT Margin (%)	3.36%	3.28%	8 bps
Taxes	3.84	3.37	13.95%
Profit After Tax	6.94	6.32	9.79%
PAT Margin (%)	2.16%	2.14%	2 bps
Earnings Per Share (EPS)	1.08	0.98	NA

Q1FY24 Performance Update

Marketing Campaigns – Amplifying Our “Social Media” Presence -



hpl_electric_and_power

www.hpindia.com

10K CONTEST ALERT HPL TRIVIA

How many state-of-the-art facilities does HPL currently have?

A 8 B 7 C 9 D 6

Comment below the correct answer and win exciting prizes!

Meters | Modular Switches | Lighting | Switchgear | Wires & Cables | Solar Solutions



234 likes

hpl_electric_and_power HPL 10K Contest Alert! In honour of HPL hitting 10K followers on Instagram, we are giving exciting prizes to winners who will answer the... more

View all 259 comments

ujjawalkumar26 ANS B) . 7 STATE OF THE ART MANUFACTURING FACILITY...

HPL Electric & Power Ltd
22 July at 16:22 · 🌐

Exhilarating adventures and unforgettable moments! HPL Rajkot Retailers' enjoyed an incredible trip to Bangkok and Pattaya trip, creating memories to cherish forever.

#hpindia #hplelectric #TravelGoals #RetailersOnTour

DOLPHINARIUM GROUP TICKETS

76 5 4

“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

Shielding Homes and Buildings with Precision

HPL MCB, your ultimate guardian against electrical hazards

Meters | Modular Switches | Lighting | Switchgear | Wires & Cables | Solar Solutions



Over 1,00,000+ followers



Over 70,000+ followers

Electrician & Retailer Meets



01



Electrician Meet, Ahemdabad

02



Electrician Meet, Chennai

03



Electrician Meet, Kohlapur

04



Nukkad Meet, Nagpur

05



Retailer Meet, Ahmedabad

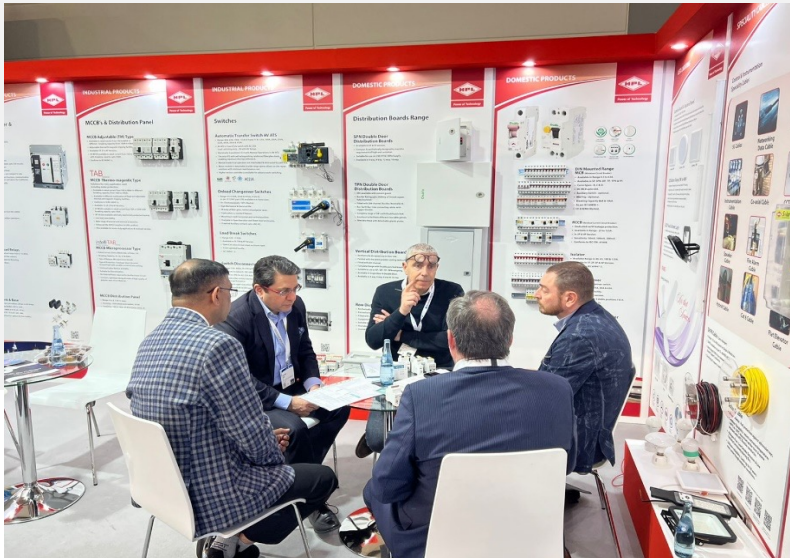
06



Electrician Meet, Kundli Haryana

Q1FY24 Performance Update

Participated in Hannover Exhibition, Germany (17th to 21st April, 2023)



Spreading the Brand Presence



1. *Retailer Meet, Kashmir*
2. *Nukkad Meet, Jaipur*
3. *Nukkad Meet, Coimbatore*
4. *Celebrating Dealers Target Achievement, Nagpur*
5. *Pan-India branding activities*



Spreading the Brand Presence

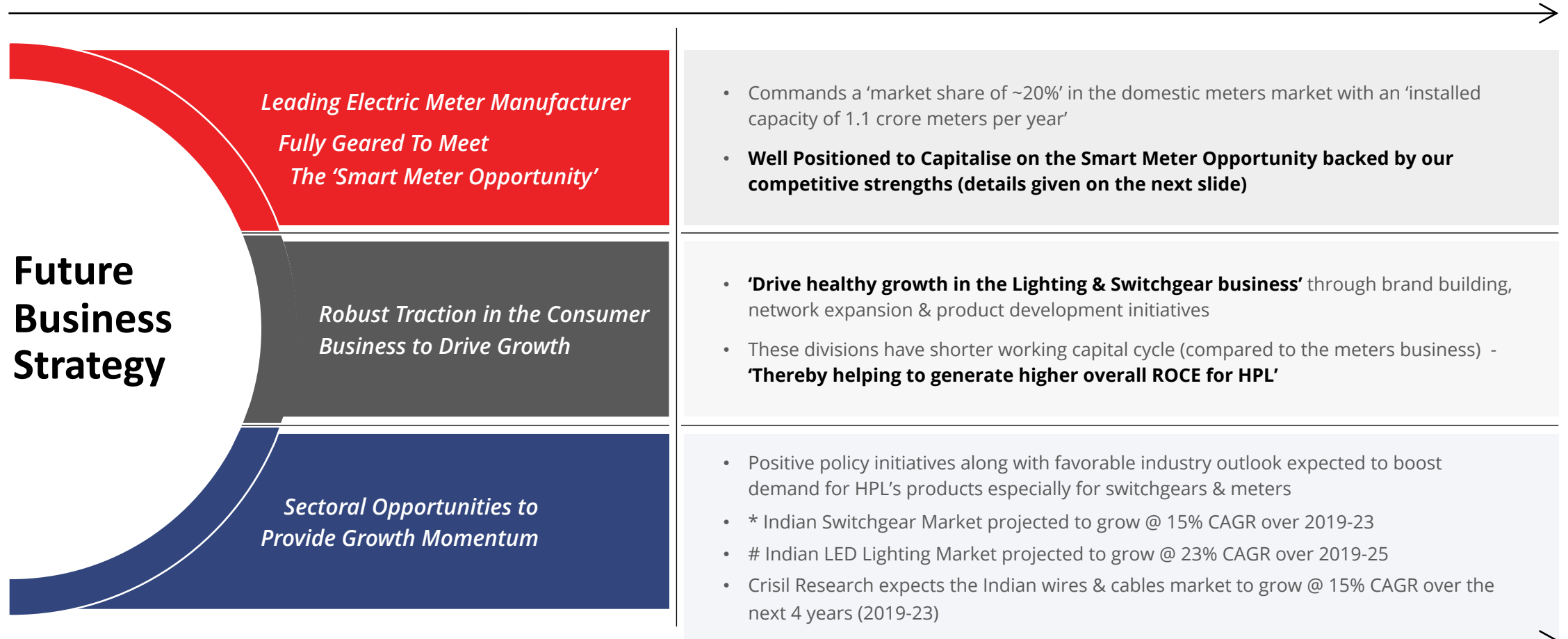




03

Business Strategy

Future Business Strategy for Value Creation





Business Strategy

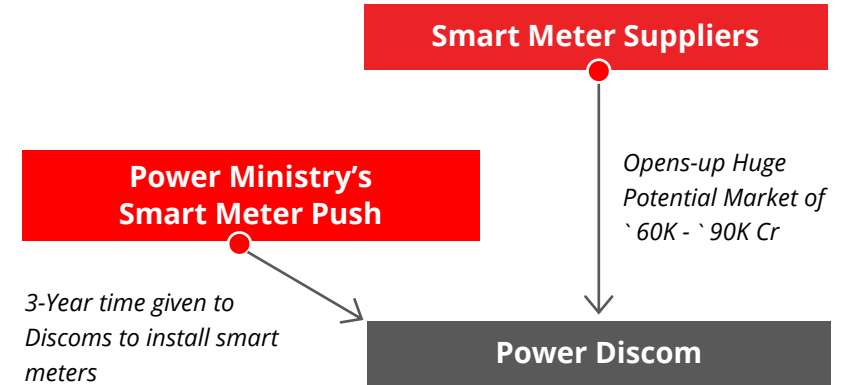
Smart Meters – “Gamechanging Initiative” With Enormous Potential

- **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**

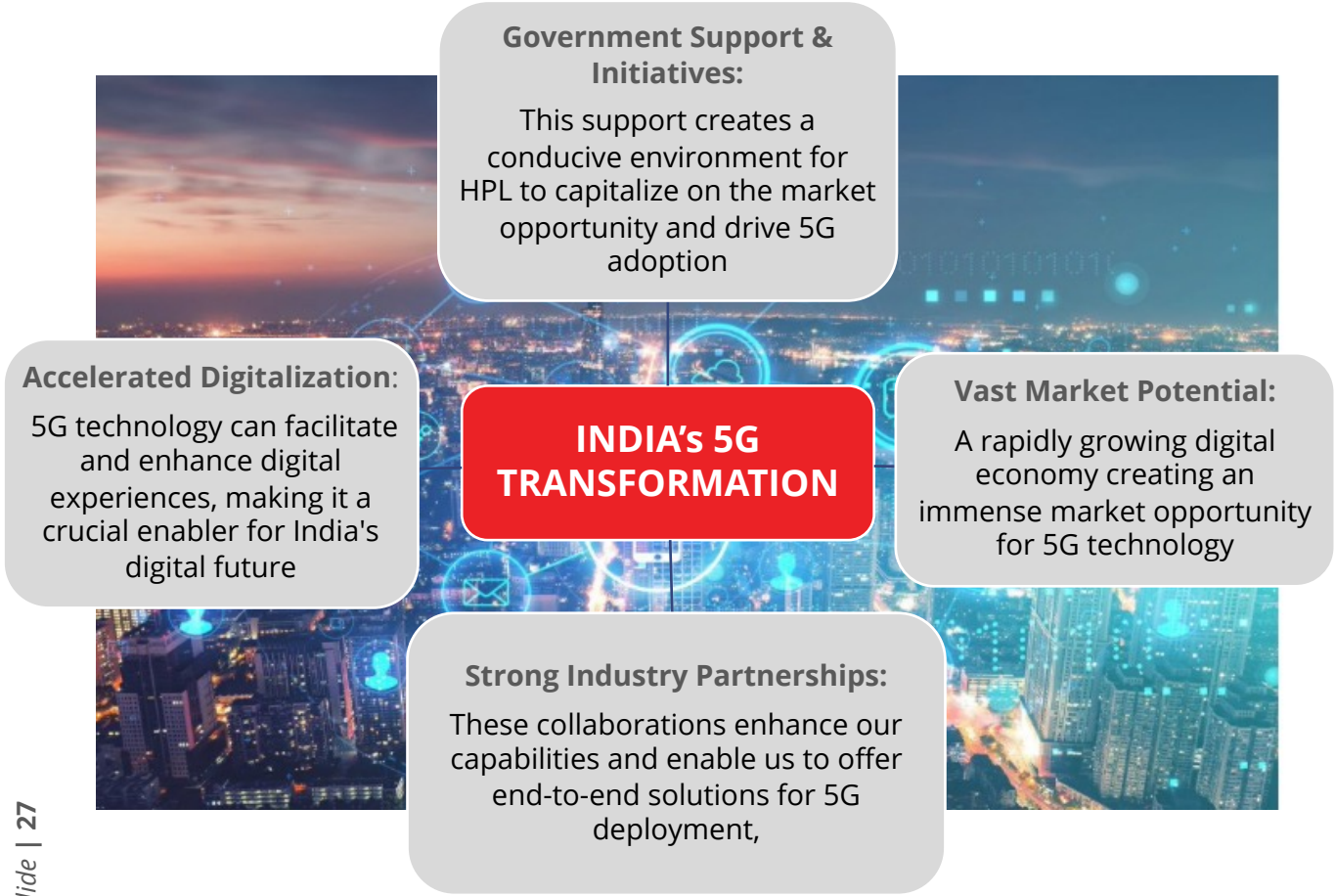
- ❖ Being a leading player with a successful track record of supplying meters over the last 2 decades, HPL is well positioned to capitalise on the smart meter opportunity
- ❖ Bagged orders worth `100+ crore for meter with smart communication technology and with RF and IRDA communication in the last couple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