



HPL Electric & Power Limited

CIN : L74899DL1992PLC048945

Corporate Office : Windsor Business Park, B-1D, Sector-10,
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E-mail : hpl@hplindia.com | website: www.hplindia.com

29th October, 2018

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, Phiroze Jeejeebhoy 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 October, 2018 at 5:00 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



PREPAID METER



SOLAR NET METER



SMART METER

HPL ELECTRIC & POWER LIMITED

Q2 & H1 FY19 RESULTS UPDATE

OCTOBER 2018



RCCB



TPN PHASE SELECTOR



STREET LIGHT 100W



LED GLO 12W



FLAME RETARDANT CABLES

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

Quarterly Update

Company Overview

Shareholding Structure



QUARTERLY UPDATE



Q2 FY19: KEY HIGHLIGHTS



**Robust Revenue Growth
28% YoY And 10% QoQ**

- Strong execution in metering business
- Switchgear & Lighting business continued to witness strong traction in the trade segment



**Improved Operating Margins
And Profitability**

- EBIT margins improved across all businesses on QoQ basis driven by higher sales, procurement efficiencies and strict control on operating costs



**Improvement in Working
Capital Cycle ***

- Total receivables days reduced from 164 to 140 days, driven by reduction in Trade (non-utility) receivable days from 125 to 87 days
- Inventory days reduced from 149 to 138 days



**Received Smart Energy Meter Order
From Leading Utility**

- Received smart meter order worth Rs 52.3 cr from one of the leading private utilities in India
- The order is based on better pricing and profitable terms



**New Manufacturing Facility For
Electronic Components Used in
Lighting Business**

- Due to strong growth in both metering and lighting businesses, we are setting up a new electronic components manufacturing facility dedicated for the lighting business

* Improvement in Working Capital Cycle from Mar-18 to Sep-18

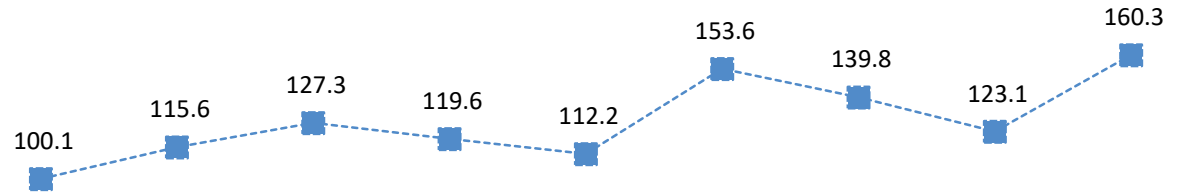


Q2 FY19: ALL MAJOR BUSINESSES DISPLAYING POSITIVE GROWTH TRAJECTORY

Revenues In Rs Crore

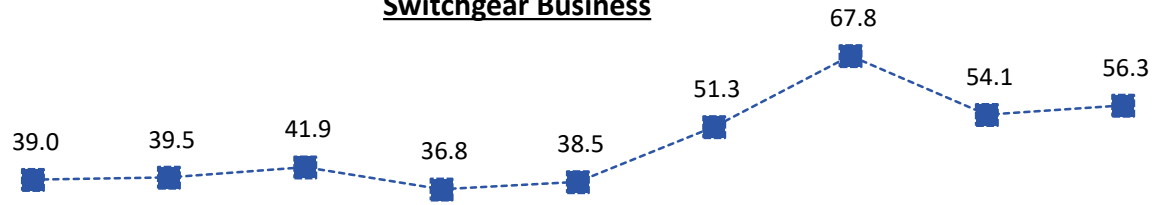
Metering Business

Strong Revival In Metering Business Over Last 8 Quarters



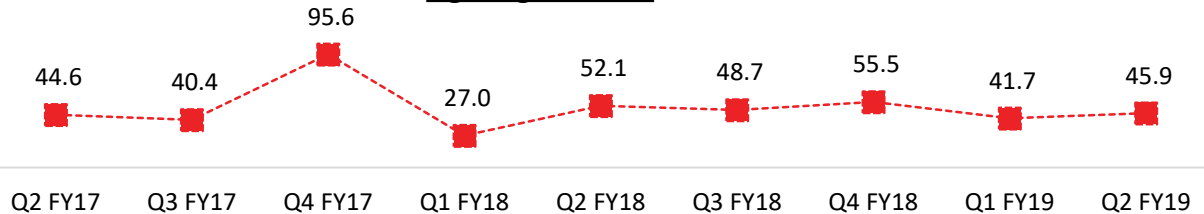
Switchgear Business

Strong Traction In Switchgear Business Over Last 4 Quarters Backed By Renewed Management Focus



Lighting Business

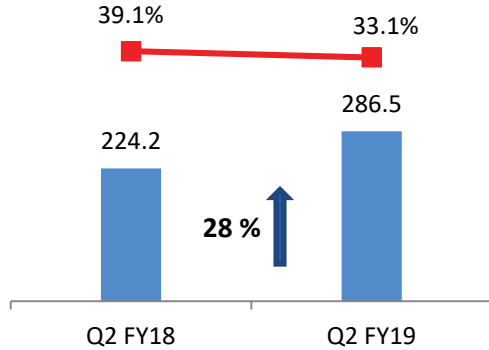
Continued Growth In LED Business Has More Than Offset The Phase Out Of CFL Business Over Last 8 Quarters



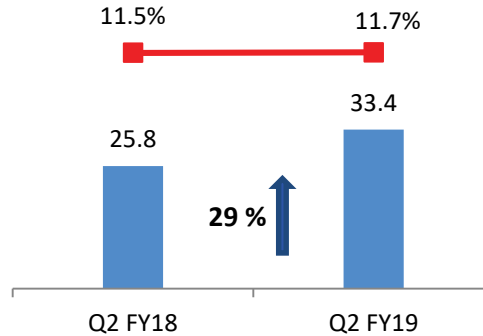
Q2 & H1 FY19: YoY HIGHLIGHTS

In Rs Crore

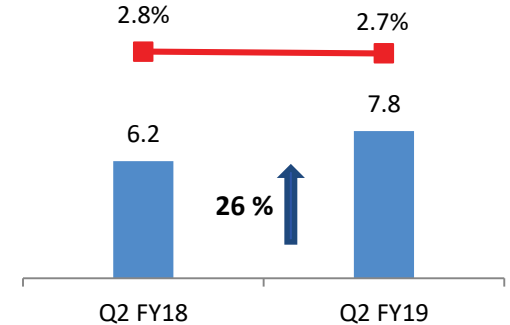
NET REVENUES * & GROSS MARGIN



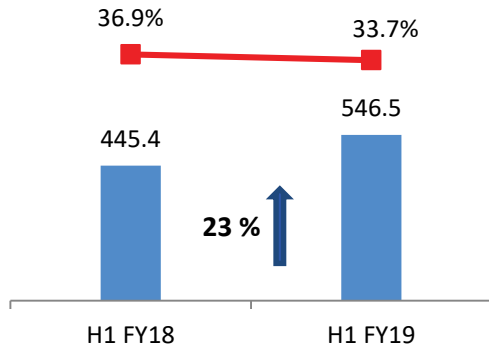
EBITDA & EBITDA MARGIN



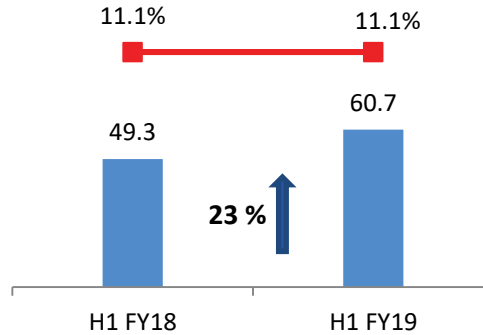
PAT & PAT MARGIN



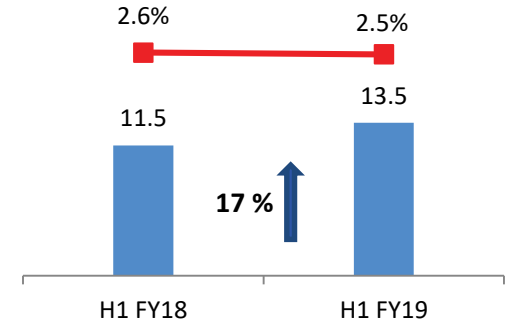
NET REVENUES * & GROSS MARGIN



EBITDA & EBITDA MARGIN



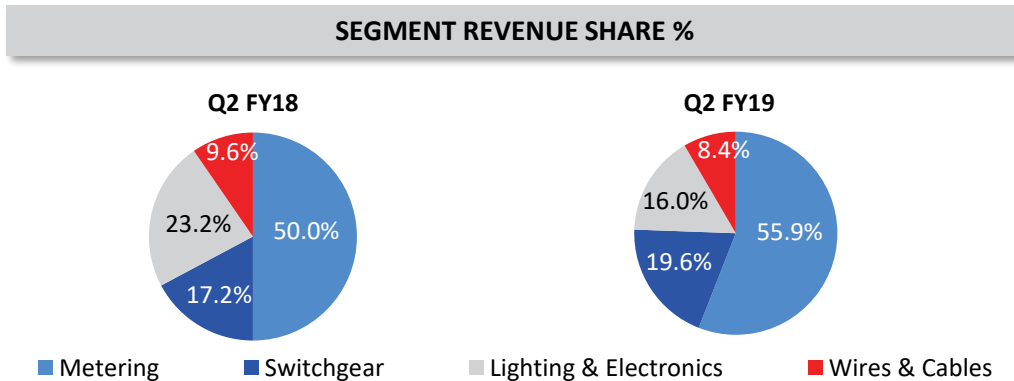
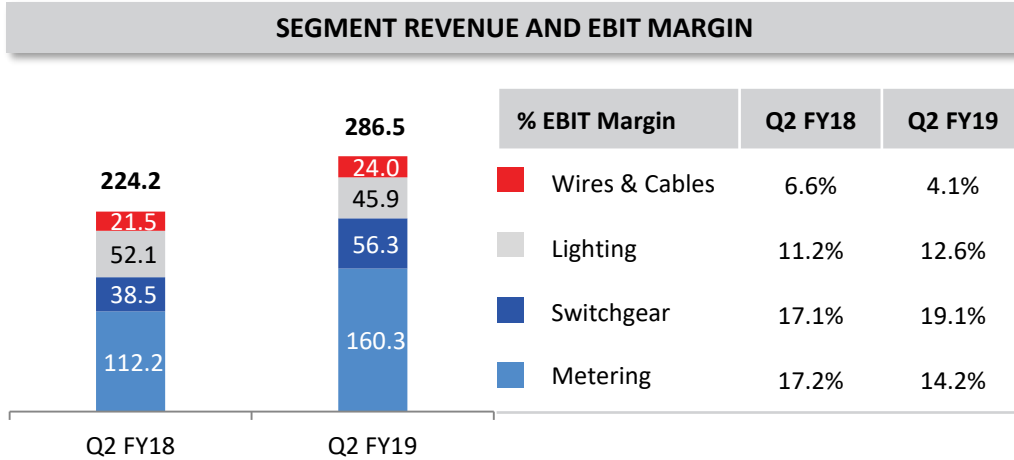
PAT & PAT MARGIN



* Net revenues from operations (net of excise duty)

Q2 FY19: YoY SEGMENT ANALYSIS

In Rs Crore

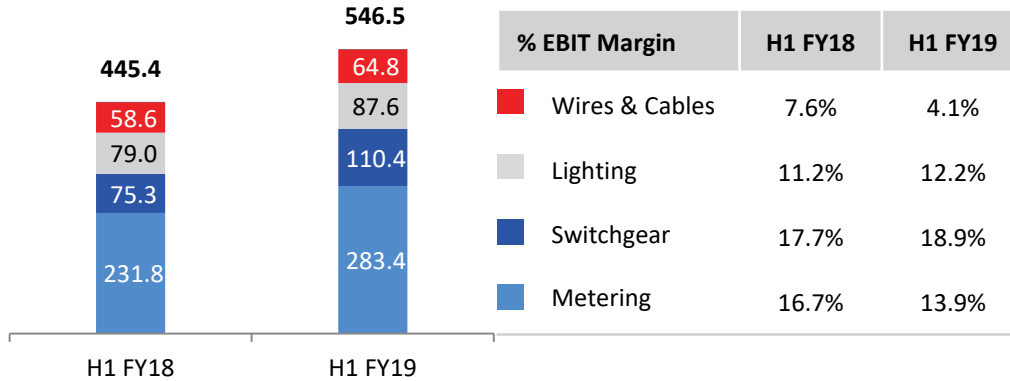


- **Metering revenues grew by 43% YoY**
 - Strong execution
 - Metering margin declined due to higher plastics prices
- **Switchgear & Lighting revenues grew by 46% YoY and -12% YoY respectively**
 - Switchgear sales benefitted from strong traction in trade business
 - Lighting sales saw healthy LED trade business; however declined YoY on a higher base of Q2 FY18 (festive season was in September)
 - Margins improved due to better pricing and procurement efficiencies
- **Wires & Cables revenues grew by 12% YoY**

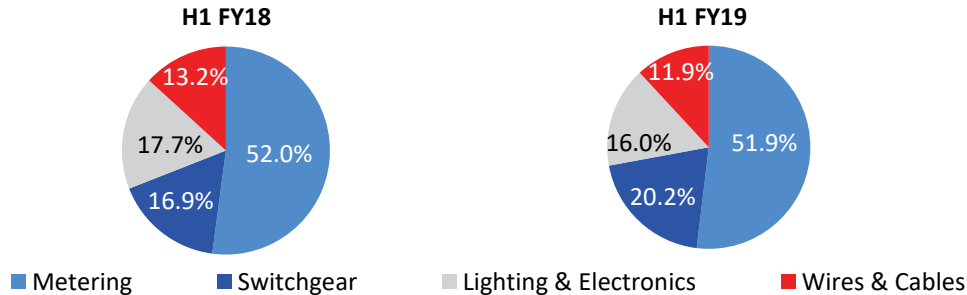
H1 FY19: YoY SEGMENT ANALYSIS

In Rs Crore

SEGMENT REVENUE AND EBIT MARGIN



SEGMENT REVENUE SHARE %



H1 FY19:

- Metering revenues grew by 22% YoY
- Switchgear revenues grew by 47% YoY
- Lighting revenues grew by 11% YoY
- Wires & Cables revenues grew by 11% YoY

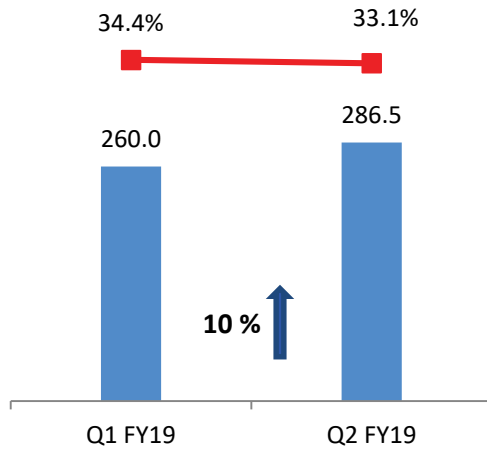
H2 FY19: H2 is usually 55-60% of annual revenues

- Metering business:
 - Sustained growth in month-over-month deliveries
- Switchgear & Lighting business:
 - Improved festive sales and continued traction in trade business

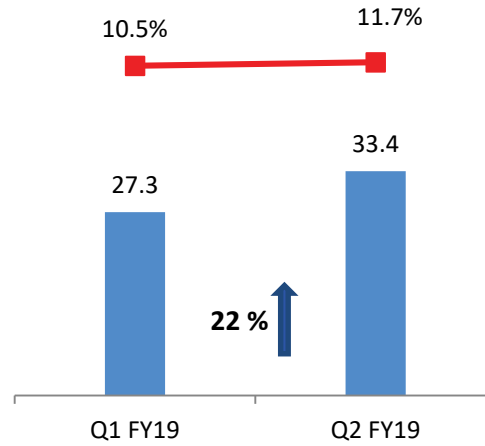
Q2 FY19: QoQ HIGHLIGHTS

In Rs Crore

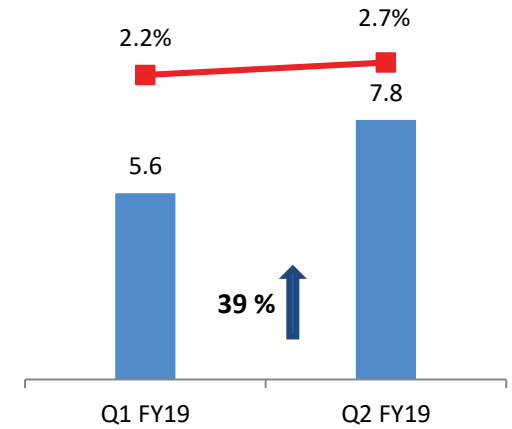
NET REVENUES * & GROSS MARGIN



EBITDA & EBITDA MARGIN



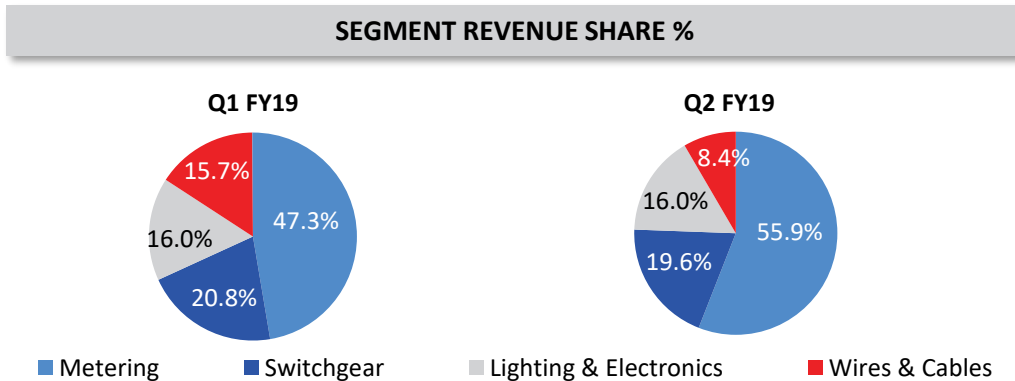
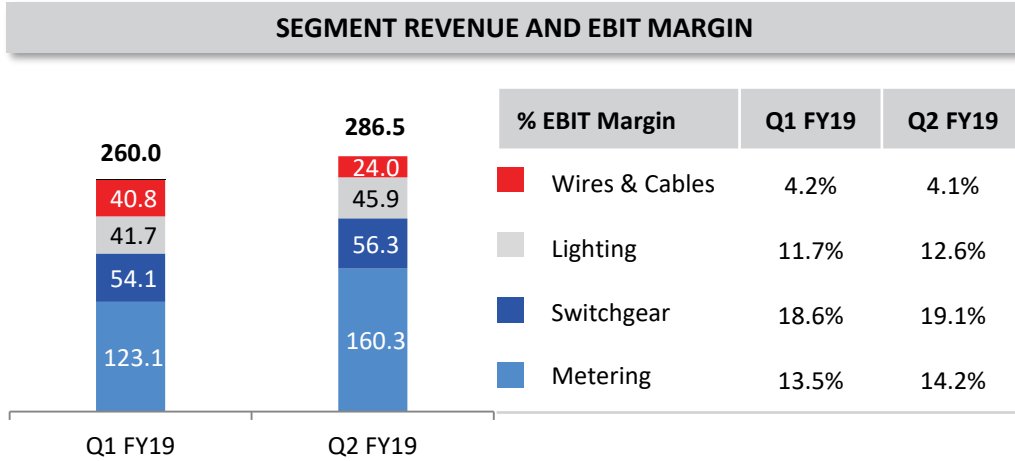
PAT & PAT MARGIN



* Net revenues from operations (net of excise duty)

Q2 FY19: QoQ SEGMENT ANALYSIS

In Rs Crore

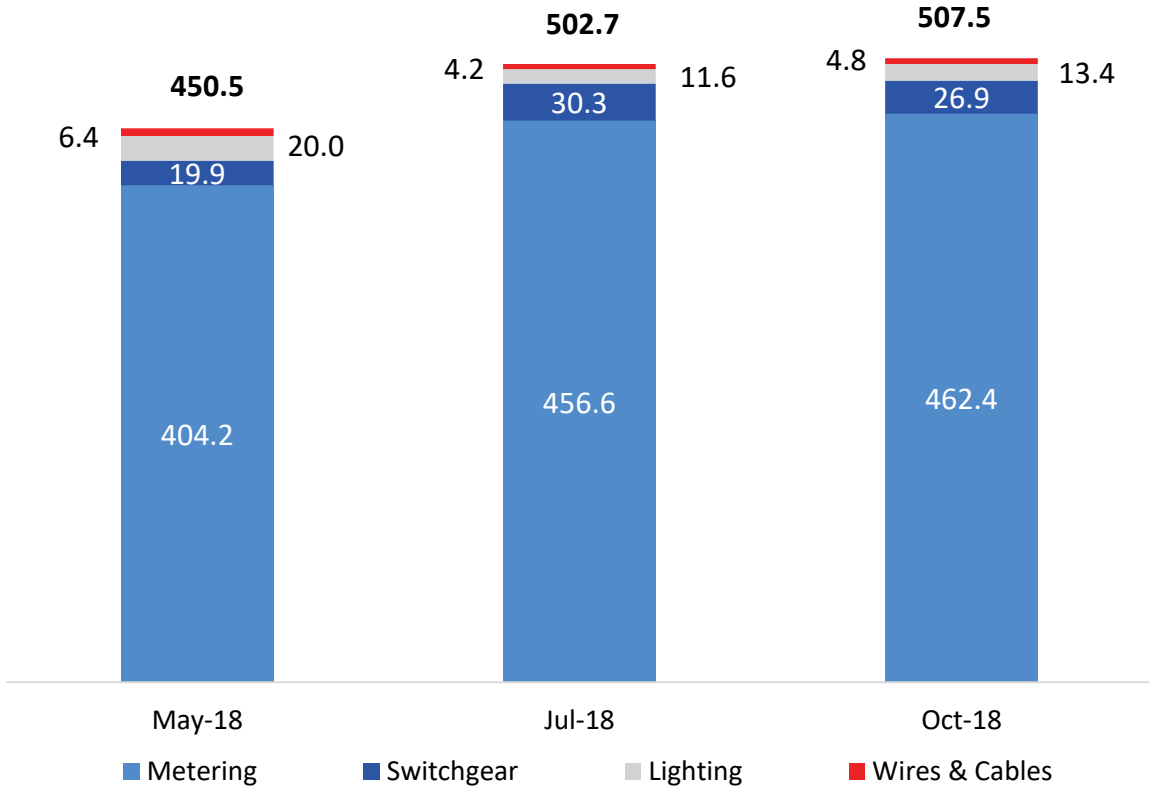


- Metering revenues grew by 30% QoQ**
 - Robust execution with an improving month-over-month delivery run-rate
 - Metering margin improved due to better product mix
- Switchgear & Lighting revenues grew by 4% QoQ and 10% QoQ respectively**
 - Improved trade business led by healthy volume growth
 - Switchgear margin improved due to better pricing
 - Lighting margin improved due to efficiencies from centralised procurement efforts
- Wires & Cables revenues declined by 41% QoQ**
 - Absence of specialty cable orders in Q2 FY19; these are expected to resume in H2 FY19

ROBUST ORDER BOOK & OUTLOOK



ORDER BOOK (RS CR) – NET OF TAXES





CONSOLIDATED PROFIT & LOSS STATEMENT

Particulars (In Rs. Cr.)	Q2 FY19	Q2 FY18	YoY%	Q1 FY19	QoQ%	H1 FY19	H1 FY18	YoY%
Net Revenue from Operations (Net of Excise)	286.5	224.2	27.8%	260.0	10.2%	546.5	445.4	22.7%
COGS	191.7	136.6	40.3%	170.5	12.4%	362.2	281.0	28.9%
Gross Profit	94.8	87.6	8.3%	89.5	5.9%	184.3	164.4	12.1%
Gross Margin (%)	33.1%	39.1%	-597 bps	34.4%	-134 bps	33.7%	36.9%	-319 bps
Employee Expenses	35.1	35.3	-0.7%	35.4	-1.0%	70.5	61.2	15.3%
Other Expenses	26.3	26.4	-0.4%	26.8	-1.9%	53.1	53.9	-1.5%
EBITDA	33.4	25.8	29.4%	27.3	22.4%	60.7	49.3	23.0%
EBITDA Margin (%)	11.7%	11.5%	15 bps	10.5%	117 bps	11.1%	11.1%	3 bps
Other Income	1.4	1.1	29.9%	1.2	22.1%	2.6	2.1	20.0%
Finance Costs	15.7	12.6	24.8%	13.6	15.4%	29.2	24.2	20.8%
Depreciation	8.0	5.9	36.4%	6.9	15.6%	15.0	11.4	31.8%
PBT	11.1	8.4	31.5%	7.9	40.4%	19.0	15.9	19.7%
Taxes	3.3	2.2	46.6%	2.3	43.7%	5.5	4.4	26.0%
Reported PAT	7.8	6.2	26.1%	5.6	39.0%	13.5	11.5	17.3%
PAT Margin (%)	2.7%	2.8%	-4 bps	2.2%	57 bps	2.5%	2.6%	-11 bps
Earnings Per Share (EPS)	1.2	1.0	24.7%	0.9	39.1%	2.1	1.8	16.9%



CONSOLIDATED BALANCE SHEET

Particulars (In Rs Cr)	SEP-18	MAR-18
Equities & Liabilities		
Shareholder's Funds	709.4	703.9
Equity share capital	64.3	64.3
Other Equity	645.1	639.6
Minority Interest	1.4	1.3
Non-Current Liabilities	49.1	41.4
Borrowings	28.1	21.3
Other Financial Liabilities	12.5	12.2
Deferred Tax Liability (Net)	-	-
Provisions	8.4	7.9
Current Liabilities	759.7	774.2
Borrowings	520.7	458.3
Trade Payables	198.6	288.3
Other Financial Liabilities	24.5	18.6
Provisions	10.2	5.3
Other Current Liabilities	5.7	3.6
Total Equity & Liabilities	1,519.7	1,520.8

Particulars (In Rs Cr)	SEP-18	MAR-18
Assets		
Non-Current Assets	530.5	498.7
Property, Plant & Equipment	435.1	402.7
Intangible Assets	19.7	22.6
CWIP	8.1	0.2
Investments	-	-
Loans	2.2	2.3
Deferred Tax Assets (Net)	41.4	43.2
Other Non-Current Assets	23.9	27.8
Current Assets	989.2	1,022.1
Inventories	430.4	423.7
Trade receivables	436.5	467.4
Cash & Cash Equivalents	4.7	7.5
Bank Balances other than C&CE	64.0	62.2
Loans	0.4	0.4
Other Financial Assets	13.6	14.9
Current Tax Assets (Net)	0.1	3.1
Other Current Assets	39.4	43.0
Total Assets	1,519.7	1,520.8

KEY PRODUCT UPDATES

HPL Smart Meter is now BIS certified

HPL has 3 BIS licenses which shall be considered as strong pre-qualification for new metering orders



New Product Launches

Solar Home Lighting Solutions



Solar Inverter



MARKETING CAMPAIGNS & ACTIVATIONS

Retail / BTL Activities

5,000+ boards & in-shop branding have been installed across India

Lohar Chawl,
Mumbai



Retailer Product Placement



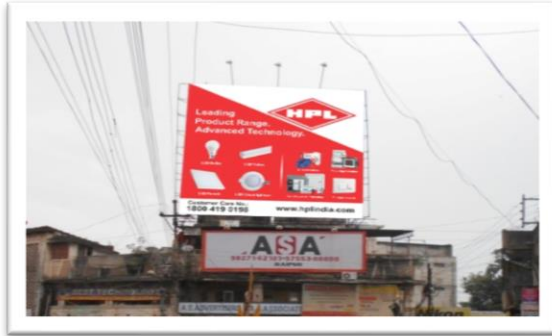
Gate-Arch Branding,
Festivities Campaign,
Mumbai

MARKETING CAMPAIGNS & ACTIVATIONS

OOH Campaigns

Hoardings are placed in high potential areas with a focus of highlighting household products to cater to the mass audience

Raipur



Pole Kiosk
Advertisements,
Kolkata

Nagpur



MARKETING CAMPAIGNS & ACTIVATIONS



Social Media & PR Promotions

Target group focused brand campaign is active on all the social media platforms like Facebook, Twitter, LinkedIn, Quora and Google display network reaching the customer base at large



CHANNEL CONNECT AND DEALER MEETS



Lucknow Dealers / Retailers Meet – Acknowledging and Rewarding the efforts of our key partners



MEETINGS WITH AFRICAN AMBASSADORS

Meetings with Key Officials to boost Export Revenue and Enhance Foothold in the African Markets

Lesotho (Africa) and Rwanda (Africa) Ambassadors' visit to Kundli Plant



DOMESTIC EXHIBITIONS



REI Expo 2018 - Noida



Light India Exhibition 2018





COMPANY OVERVIEW



BRIEF PROFILE

BUSINESS OVERVIEW

- HPL is an established electric equipment manufacturer in India - market leader in electricity energy meters (20% mkt. share) & on-load change-over switches (50% mkt. share), 5th largest LED manufacturer, 5% mkt. share in LV switchgears
- 40+ year old established brand with strong recall across various customer segments – Power Utilities, Government Agencies, Retail and Institutional customers
- Large product portfolio offering wide range of Metering Solutions, Switchgears, Lighting which includes LED & CFL lamps and Wires & Cables

KEY STRENGTHS

- 7 state-of-the-art Manufacturing facilities with capabilities across design & product development, component designing, tool making and commercial production
- Strong R&D capabilities with focus on constant innovation and development of new products with superior technologies
- Established Pan-India Distribution network consisting of 90+ Branch Offices, 2,000+ authorized dealers & 20,000+ retailers
- Experienced management team with more than 20 years of industry experience
- Established relationships with Power Utilities, Government Agencies and Institutional customers
- Strong pre-qualification credentials creating significant entry barriers in the metering and switchgear businesses

FINANCIAL PERFORMANCE

- Consolidated Revenue, EBITDA and PAT were Rs 1,036.3 cr, Rs 109.9 cr and Rs 27.6 cr respectively in FY18.
- EBITDA Margins have been stable in the range of 10%-13% in the last 5 years
- Healthy balance sheet with D:E ratio of 0.65x as of Mar-18

WIDE-RANGING PRODUCT PORTFOLIO



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



Metering Solutions

Smart Meter



Net Meter



Prepaid Meter



Trivector Meter



emfis

Switchgears

Industrial Applications



Domestic Applications



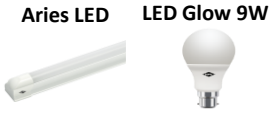
Modular Switch & Accessories



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

Lighting Equipment

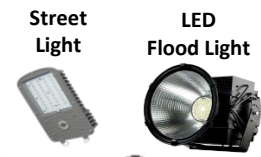
Consumer LED Products



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

STRONG R&D THRUST – CONTINUOUS TECHNOLOGY UPGRADATION



FOCUS ON CONTINUOUS R&D TO LAUNCH AND MARKET EXCITING NEW INNOVATIVE PRODUCTS LOADED WITH IMPROVED FEATURES, ENERGY EFFICIENCY, AUTOMATION AND COMMUNICATION



IN-HOUSE R&D CAPABILITIES:

- 2 R&D facilities in Gurgaon & Kundli with more than 100 engineers
- 1 Testing facility in Gurgaon – 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 and CFLs



SOLAR ELECTRICAL PRODUCTS

HPL has developed a complete range of solar solutions across meters, switchgears, lighting and wires & cables

Metering Solutions

Solar Net Meter



Switchgears

Solar AC Distribution Box



Solar DC Distribution Box



Solar Main Junction Box



Solar Array Junction Box



Lighting Equipment

Solar Batten



Solar LED Street Light



Solar LED Bulb



Wires and Cables

Solar Cables



STATE OF ART MANUFACTURING FACILITIES

7 ROBUST MANUFACTURING FACILITIES ACROSS NORTH INDIA

- State of art manufacturing capabilities including design and product development, component designing, tool making and commercial production
- Capabilities to manufacture customized products for institutional customers and undertake modifications in products for OEMs and other corporate customers

QUALITY & COMPLIANCE CERTIFICATIONS



ISO-9001:2000



ISO-27001:2005



IS : 8828



SUFFICIENT AVAILABLE CAPACITY
TO ACHIEVE REVENUES OF ~ Rs 2,500 CRORE
WITHOUT ANY MAJOR CAPEX IN NEAR FUTURE

STATE OF ART MANUFACTURING FACILITIES



GURGAON



Gurgaon Facility I:

- **Products:** Electronic static energy meters
- **Capacity:** 6 Million Units

Gurgaon Facility II:

- **Products:** Parts/components of lighting equipment (CFL & LED), electronic energy meters
- **Capacity:** 15 Million Parts/ Components

JABLI



Facility I:

- **Products:** MCBs, distribution boards and panels, MCB isolators, MCB changeover switches, earth leakage circuit breaker and switches, energy meters and parts of lighting equipment
- **Capacity:** 11.5 Million Units

Himachal Energy Facility:

- **Products:** electronic energy meters, panel meters and clips for panel meters
- **Capacity:** 3 Million Units

STATE OF ART MANUFACTURING FACILITIES

KUNDLI



Facility I:

- **Products:** Switchgears and parts of electronic energy meters and parts of lighting equipment
- **Capacity:** 5 Million Units

Facility II:

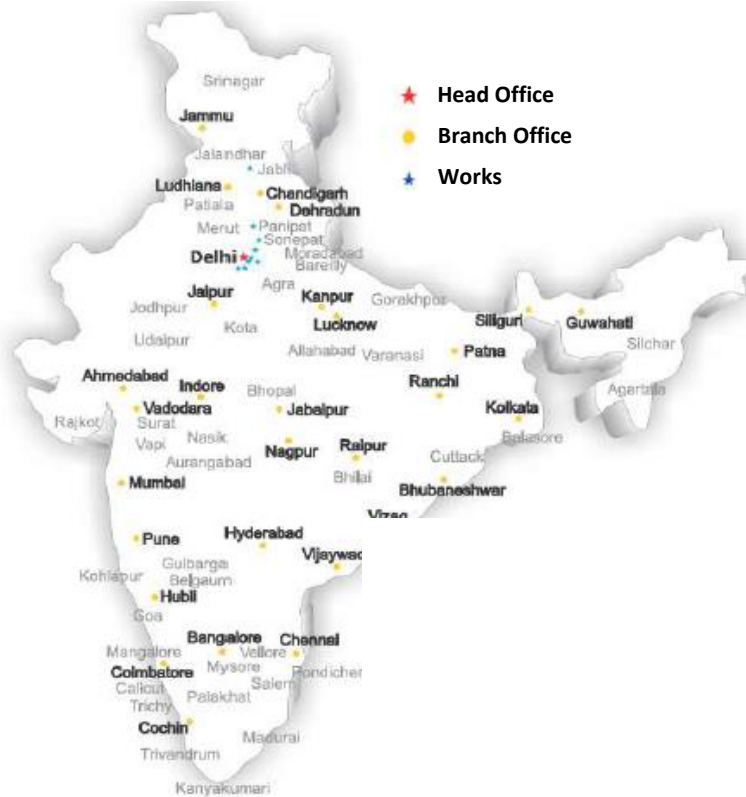
- **Products:** Lighting equipment
- **Capacity:** 26 Million Units

GHARAUNDA



- **Products:** Wires and Cables
- **Capacity:** 194.4 Mn meters

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 Offices
21 Warehouses across India**

**2,000+ Authorized Dealers and
20,000+ 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**

EXTENSIVE EXPERIENCE, ESTABLISHED RELATIONSHIPS, STRONG CREDENTIALS



**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 20 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 formidable entry barriers in technologically advanced products like Metering and Switchgear businesses

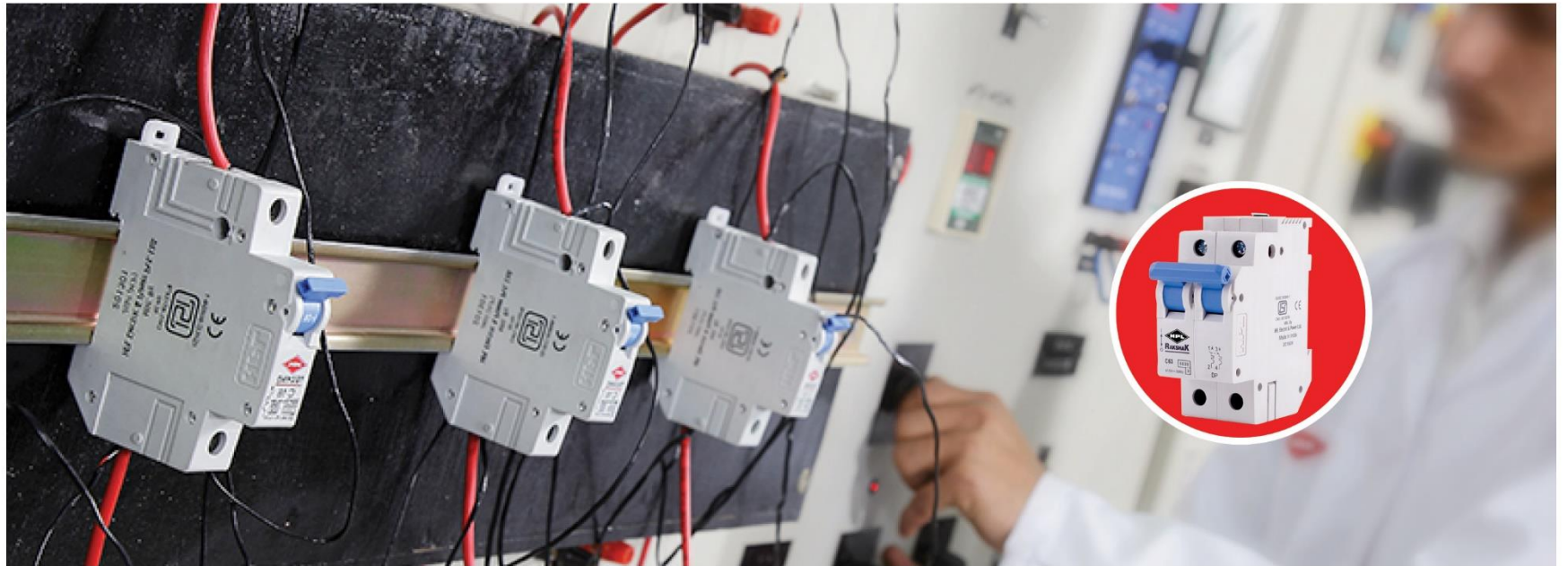


STRONG PRE-QUALIFICATION CREDENTIALS

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

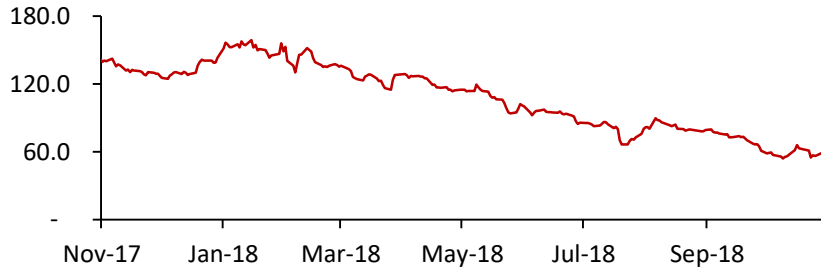


SHAREHOLDING STRUCTURE



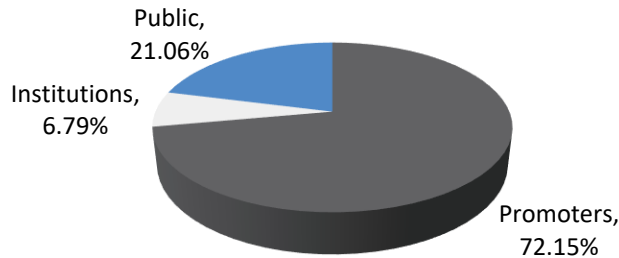
SHAREHOLDING STRUCTURE

SHARE PRICE PERFORMANCE



Source – BSE

SHAREHOLDING – 30TH SEPTEMBER 2018



Source – BSE

MARKET DATA

AS ON 29TH OCTOBER 2018

Market Capitalization (Rs Cr)	383.2
Price (Rs)	59.6
No. of Shares Outstanding (Cr)	6.4
Face Value (Rs)	10.0
52 Week Low-High (Rs)	54.2 / 158.8

Source – BSE

KEY INVESTORS – 30TH SEPTEMBER 2018

% Holding

HDFC AMC	6.03%
EQ India Fund	0.67%

Source – Company

Thank You



Mr. Gautam Seth
Joint Managing Director
Email: gautamseth@hplindia.com

DICKENSON

Mr. Arun Prakash / Mr. Nilesh Dalvi
IR Consultant
Email: arun.prakash@dickensonir.com / nilesh.dalvi@dickensonir.com
Contact no: +91 9920993892 / +91 9819289131



HPL Electric & Power Ltd.

Factory Address:
Plot No. 78B, Phase II, Sector-87 HSIIDC, Industrial Area, Kundli,
Distt.-Gurgaon(Haryana) 121028
Corporate Office:
121, Asaf Ali Road, New Delhi-110002