



HPL Electric & Power Limited

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13th February, 2019

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 Friday, 15th February, 2019 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.

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

Q3 & 9M FY19 RESULTS UPDATE

FEBRUARY 2019



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



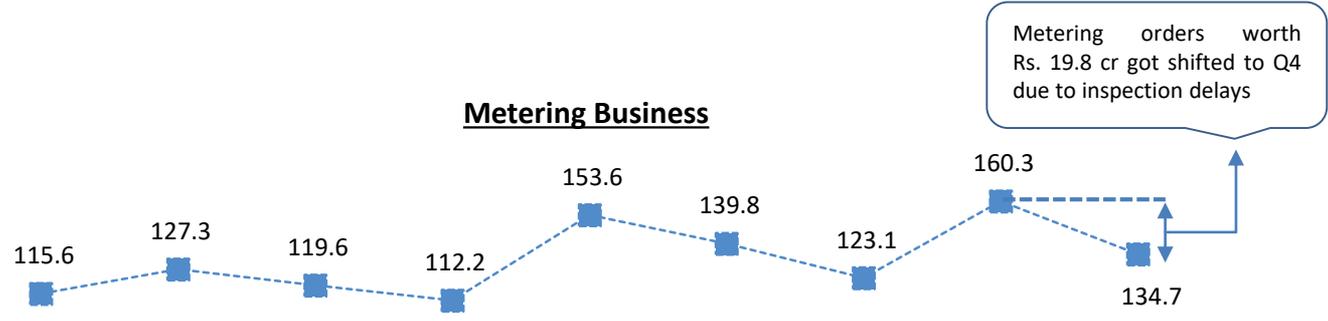


Q3 FY19: ALL MAJOR BUSINESSES DISPLAYING POSITIVE GROWTH TRAJECTORY

Revenues In Rs Crore

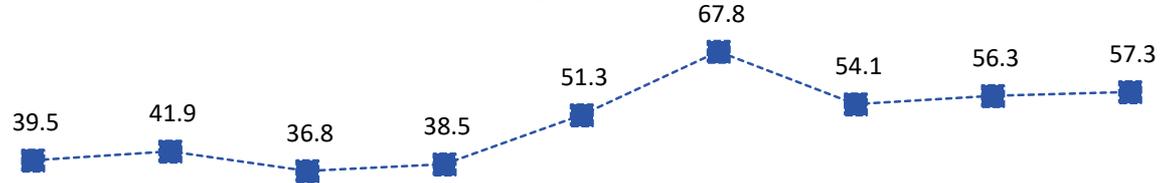
Strong Revival In Metering Business Over Last 8 Quarters

Metering Business



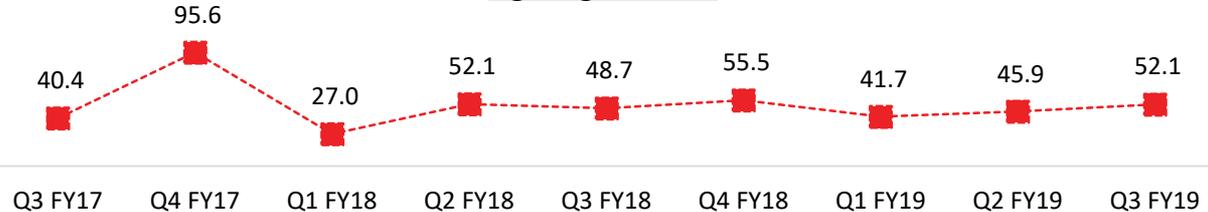
Strong Traction In Switchgear Business Over Last 4 Quarters Backed By Renewed Management Focus

Switchgear Business



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

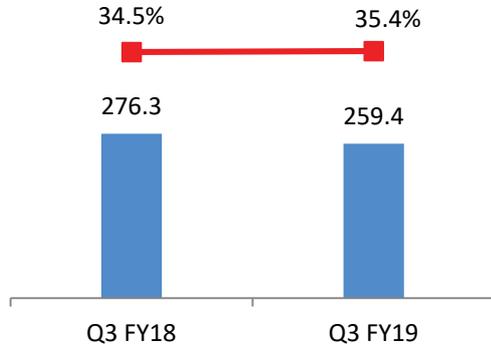
Lighting Business



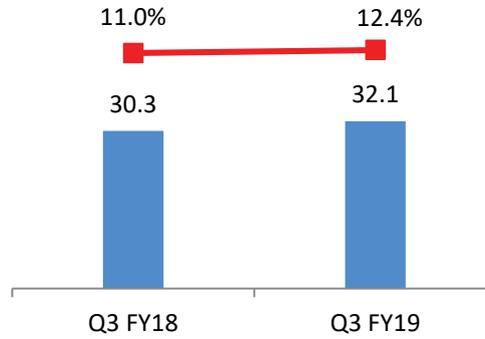
Q3 & 9M FY19: YoY HIGHLIGHTS

In Rs Crore

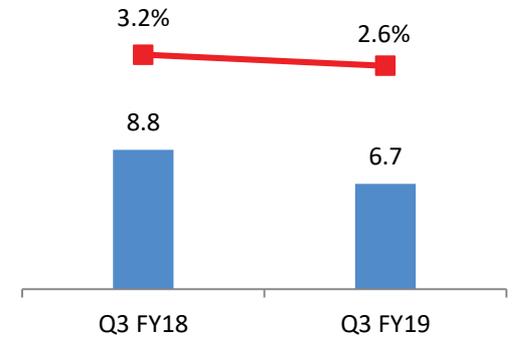
NET REVENUES & GROSS MARGIN



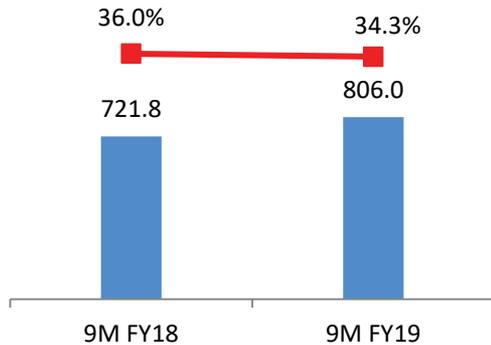
EBITDA & EBITDA MARGIN



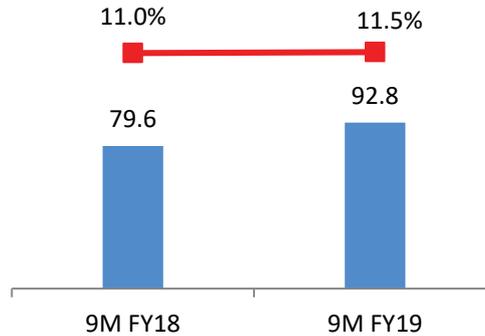
PAT & PAT MARGIN



NET REVENUES * & GROSS MARGIN



EBITDA & EBITDA MARGIN



PAT & PAT MARGIN

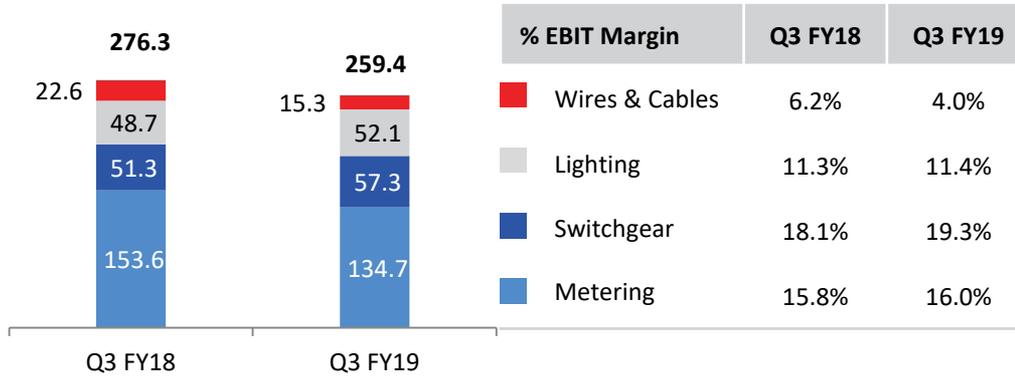


* Net revenues from operations (net of excise duty)

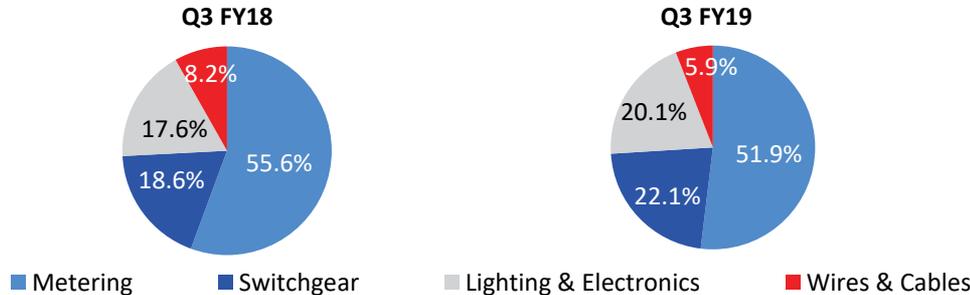
Q3 FY19: YoY SEGMENT ANALYSIS

In Rs Crore

SEGMENT REVENUE AND EBIT MARGIN



SEGMENT REVENUE SHARE %

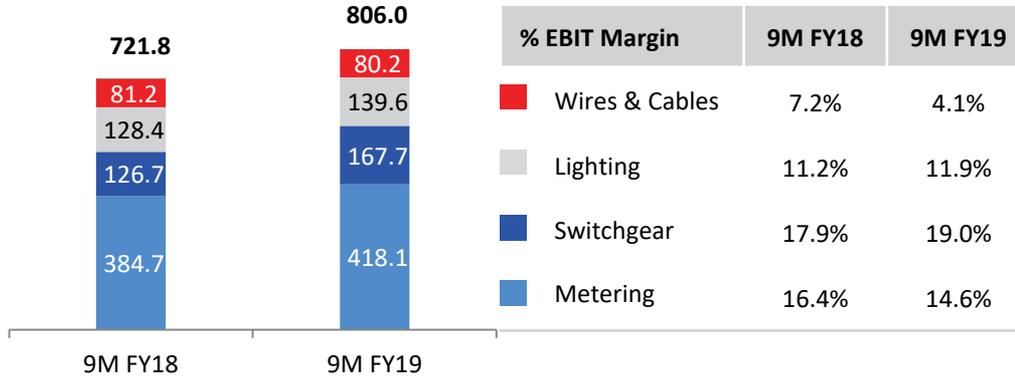


- Metering revenues declined by 12% YoY due to lower dispatch as a result of inspection delays.
- These orders will get dispatched in Q4 FY19, in addition to the scheduled deliveries in Q4 FY19.
- **The Metering segment is expected to record revenues of Rs. 175 crores in Q4 FY19.**
- Metering margin remained stable.
- **Switchgear & Lighting revenues grew by 12% YoY and 7% YoY respectively.**
- Switchgear sales benefitted from strong traction in trade business. Margin improvement was driven by better product-mix.
- Lighting sales saw healthy LED trade business.

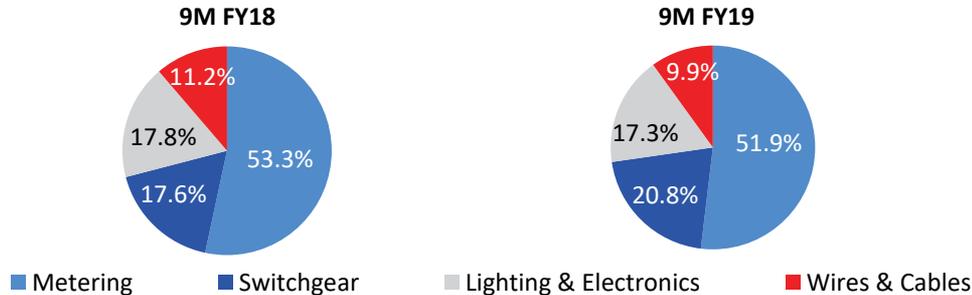
9M FY19: YoY SEGMENT ANALYSIS

In Rs Crore

SEGMENT REVENUE AND EBIT MARGIN



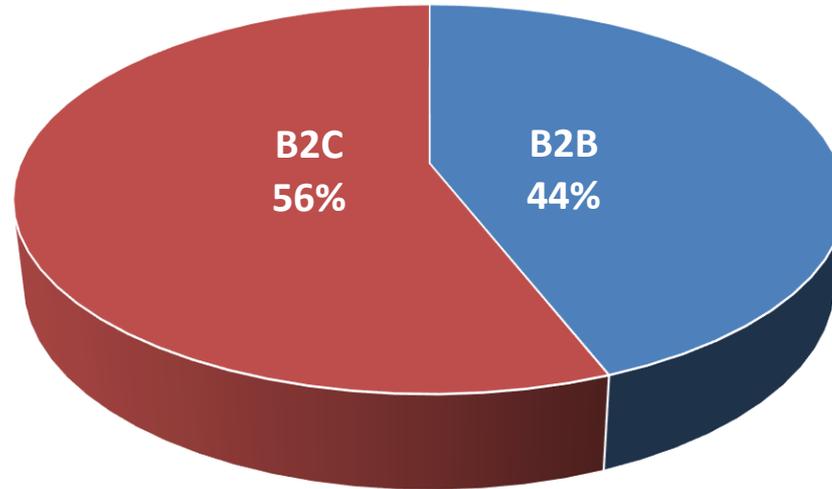
SEGMENT REVENUE SHARE %



- **Metering revenues grew by 9% YoY**
- Metering margin declined due to impact of higher polycarbonate prices in the first 2 quarters of CY18. However, prices have normalised in the second half of CY18 and this should lead to better margin in coming quarters.
- **Switchgear revenues grew by 32% YoY**
- Switchgear margin continued to improve, aided by revenue growth and better product-mix.
- **Lighting revenues grew by 9% YoY**
- Lighting margins were stable.
- Wires & Cables revenues were stable.
- Advertisement expenses remained steady at Rs. 11.92 cr in 9M FY19 (v/s Rs. 15.03 cr in FY18). Looking to increase ad spend for enhanced brand visibility during the forthcoming IPL Season.

REVENUE BREAK-UP – B2C V/S B2B

9M FY19 Revenues – Rs. 806 crores



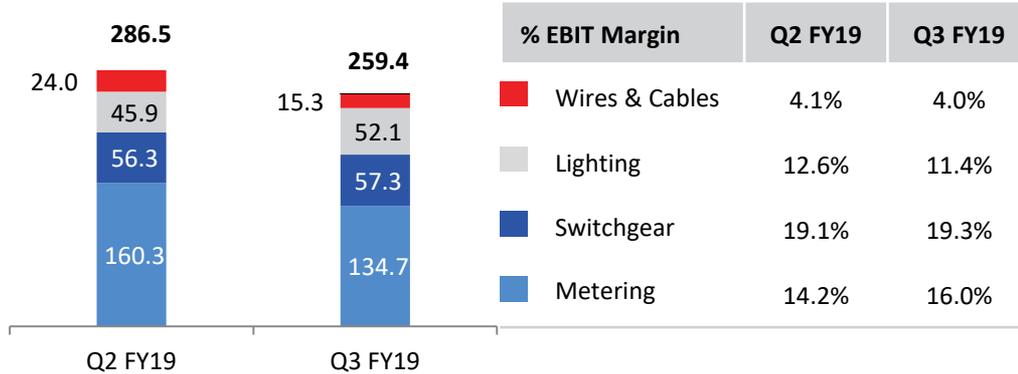
B2C includes Non-utility Metering, Switchgear, Lighting and Wires & Cables Segment Revenues

B2B includes Metering Revenues from Utilities and EESL.

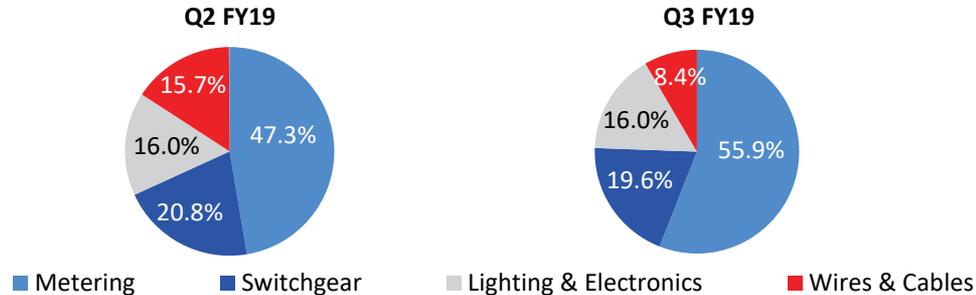
Q3 FY19: QoQ SEGMENT ANALYSIS

In Rs Crore

SEGMENT REVENUE AND EBIT MARGIN



SEGMENT REVENUE SHARE %

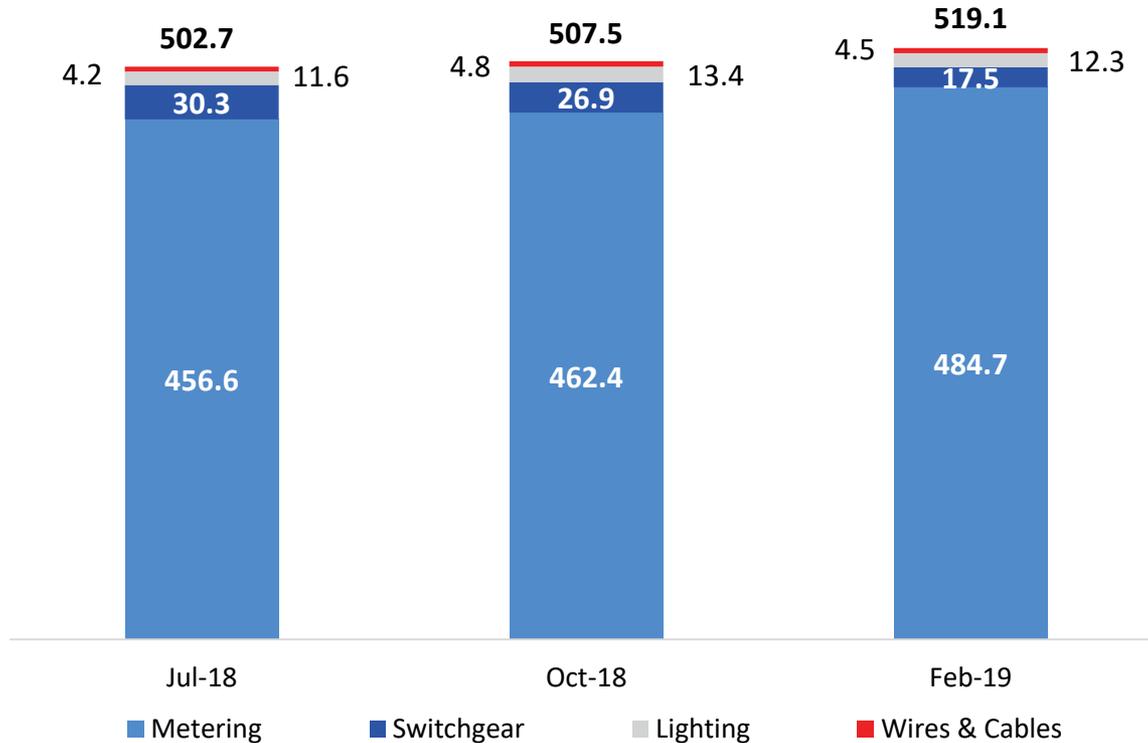


- Revenues declined QoQ due to decline in Metering segment caused by delay in dispatch of orders. These will be inspected and dispatched in Q4 FY19.
- Stabilisation of polycarbonate prices aided Metering EBIT Margin expansion.
- Switchgear Margin continued to improve sequentially.
- In addition to above, lower share of Wires & Cables segment led to better Gross Margin & EBITDA Margin on QoQ basis.
- PAT Margin remained stable QoQ.

ROBUST ORDER BOOK & OUTLOOK



ORDER BOOK (RS CR) – NET OF TAXES



New Metering Orders:

- **Rs 112 crores orders for meters with Smart Communication Technologies** from two utilities. This includes supply & installation of -
 - 1P Static Energy Meters with 6-LowPan Technology for effective two-way communication.
 - 3P Trivector Meter with in-built communication technology and Modem.
- **Received orders for supply of 28,000 Smart Meters** for one of the Smart Grid projects.
- Enquiry base for Metering tenders are at a healthy level, which provides good visibility and positive outlook for the coming quarters.



CONSOLIDATED PROFIT & LOSS STATEMENT

Particulars (in Rs. Cr.)	Q3 FY19	Q3 FY18	YoY%	Q2 FY19	QoQ%	9M FY19	9M FY18	YoY%
Net Revenue from Operations (Net of Excise)	259.4	276.3	-6.1%	286.5	-9.4%	806.0	721.8	11.7%
COGS	167.7	180.9	-7.3%	191.7	-12.5%	529.9	461.9	14.7%
Gross Profit	91.7	95.4	-3.8%	94.8	-3.2%	276.1	259.8	6.3%
Gross Margin (%)	35.4%	34.5%	85 bps	33.1%	227 bps	34.3%	36.0%	-174 bps
Employee Expenses	34.4	35.5	-3.3%	35.1	-2.1%	104.9	96.7	8.5%
Other Expenses	25.3	29.6	-14.6%	26.3	-4.0%	78.4	83.5	-6.1%
EBITDA	32.1	30.3	6.1%	33.4	-3.8%	92.8	79.6	16.6%
EBITDA Margin (%)	12.4%	11.0%	142 bps	11.7%	72 bps	11.5%	11.0%	48 bps
Other Income	0.9	1.1	-23.3%	1.4	-37.8%	3.5	3.3	4.9%
Finance Costs	15.7	13.8	14.1%	15.7	0.1%	44.9	38.0	18.3%
Depreciation	8.4	5.7	47.0%	8.0	4.9%	23.4	17.1	36.9%
PBT	8.9	11.9	-25.6%	11.1	-20.1%	27.9	27.8	0.3%
Taxes	2.2	3.1	-28.7%	3.3	-32.5%	7.7	7.5	3.4%
Reported PAT	6.7	8.8	-24.5%	7.8	-15.0%	20.2	20.3	-0.9%
PAT Margin (%)	2.6%	3.2%	-63 bps	2.7%	-17 bps	2.5%	2.8%	-32 bps
Earnings Per Share (EPS)	1.03	1.37	-24.8%	1.21	-14.9%	3.11	3.15	-1.3%

Highlight of Product launches in 2018

Trios Lighting

- High lumens package
- CRCA die cast formed housing with UV and corrosion resistance for durability
- Thermo - painting finish in architectural white black grey & red etc
- Best for architecture lighting applications.



Rays Lighting

- High lumens package
- CRCA die cast formed housing with UV and corrosion resistance for durability
- Thermo - painting finish in architectural white black grey & red etc
- Available in Suspended & Surface



Solar Home Lighting Solution

- Compact and Highly efficient
- Simple, Rugged and Reliable
- Ideal solution for rural and remote areas where power
- Supply is unreliable



Solar Street Light 12W Luminary (Bluetooth)

- Renewable and Independent green energy source
- Automated switch ON and OFF
- Bluetooth Enable Luminary so easy to access the data



Spark LED Panel

- 2 In 1 Sleek Design Panel
- In Built Driver
- High Efficiency and Brighter Light



COB Lighting

- High Quality Die casting Aluminum
- Excellent Efficacy and Performance
- Bridge Lux COB



R Lamp

- High Quality Die casting Aluminum
- Excellent Efficacy and Performance
- High Power Factor



Advance Version Automatic Load Transfer Switch

- Added range with domestic load applications from 40A to 125A
- Most suitable for BMS
- Only Switch with RoHS Compliance
- Pioneer in ATS with Arc Chutes



O Protect

- Very sleek, elegant and compact design
- Protection against Short Circuit & Over load
- Convenient & easy to operate
- Completely insulated design
- Supply indication



MARKETING CAMPAIGNS & ACTIVATIONS

Retail / BTL Activities

Pan India Outdoor & BTL Activations

Retail branding & outdoor campaigns are placed in high potential areas with a focus of highlighting household products to cater the mass audience. **6000+** dealer boards & inshop branding have already been executed in a strategic locations to cater the maximum eyeballs.



Pole kiosk branding near Ezra Street, Kolkata



R.P. Road, Hyderabad



Kiosk branding, Allahabad



Channel Connect

For the first time we have introduced our newly launched lighting product **"SPARK"** to our dealers at their places itself to give them more personalised experience. More than 100 counters have been covered in Rajasthan market with the plan to capture maximum growth in market share.



Gate Arches have been installed during Ganesh Chaturthi in Mumbai, Pune, Nagpur



Product placement at retail shop



Hoarding at MG Road, Raipur



MARKETING CAMPAIGNS & ACTIVATIONS



Social Media & PR Promotions

Social Media & PR Promotions

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



CHANNEL CONNECT AND DEALER MEETS

Retailer Incentive trip @ Thailand

More than 30 retailers from Cochin have been awarded with incentive trip basis on their target achievements of lighting product sales. It was 3 nights & 4 days trip including sight-seeing & full entertainment followed by gala dinner on last night. It was quite motivated and memorable trip for each of them & left us with huge expectations in business growth.



Dealer Meet @ Kerala

Pan India dealer & retailer meets are being organised and Kerala meet is the recent one of them wherein the focus was to have one to one interaction with our partner on product awareness & business growth strategies to gather maximum market share against competition.

INTERNATIONAL EXHIBITIONS

NEEK Electro Expo-2018 @ Nepal

In order to spread the brand and increase the market penetration of HPL Products in Nepal, the company has participated in Electro Expo in Nepal.

The stall was visited by dignitaries including the Power Minister of Nepal and received a good footfall. The participation was followed by local consultants and contractors meet.



HPL Technical Seminar organised at hotel for Consultant & Contractor



Mr. Kulman Ghising (NEA Director) appreciated our product range especially Prepaid Meter



Hon'ble Barsaman Pun, Power Minister, Nepal visited our stall & graced the event

Electricx Exhibition @ Cairo, Egypt



It brought us an opportunity to enhance our brand presence in international market. We had showcased our latest offerings and product range catering to a large no. of target audiences. Major customers who have turned around were consultants, industry experts, relevant people from different states & power utilities to witness the latest innovations.



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

ACB MCCB Phase Selector



Domestic Applications

Osafe MCB Techno MCB RCCB



Modular Switch & Accessories

Toggle Switches Plug Sockets Push Bells



TAB™ **intelliPROTECT**

intelliCONTROL **Osäfe**
MCB | DB | RCCB

Lighting Equipment

Consumer LED Products

Aries LED LED Glow 9W



Commercial LED Products

Mitered CRCA Panel



Outdoor LED Products

Street Light LED Flood Light



Pathlite

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



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

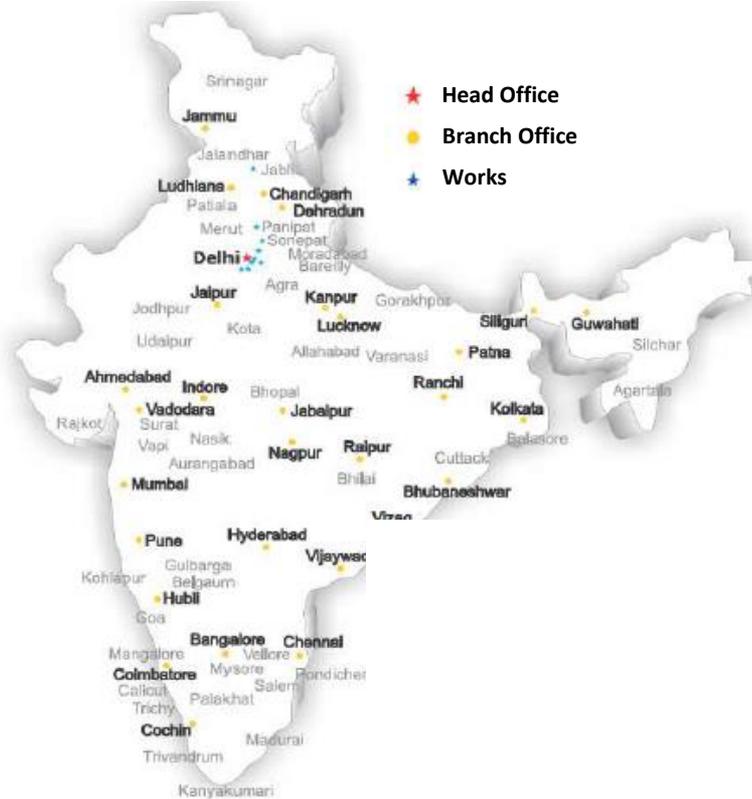


- **Products:** Wires and Cables
- **Capacity:** 194.4 Mn meters

QUALITY & COMPLIANCE CERTIFICATIONS



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**

**1,200 Authorized Dealers and
27,000+ 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

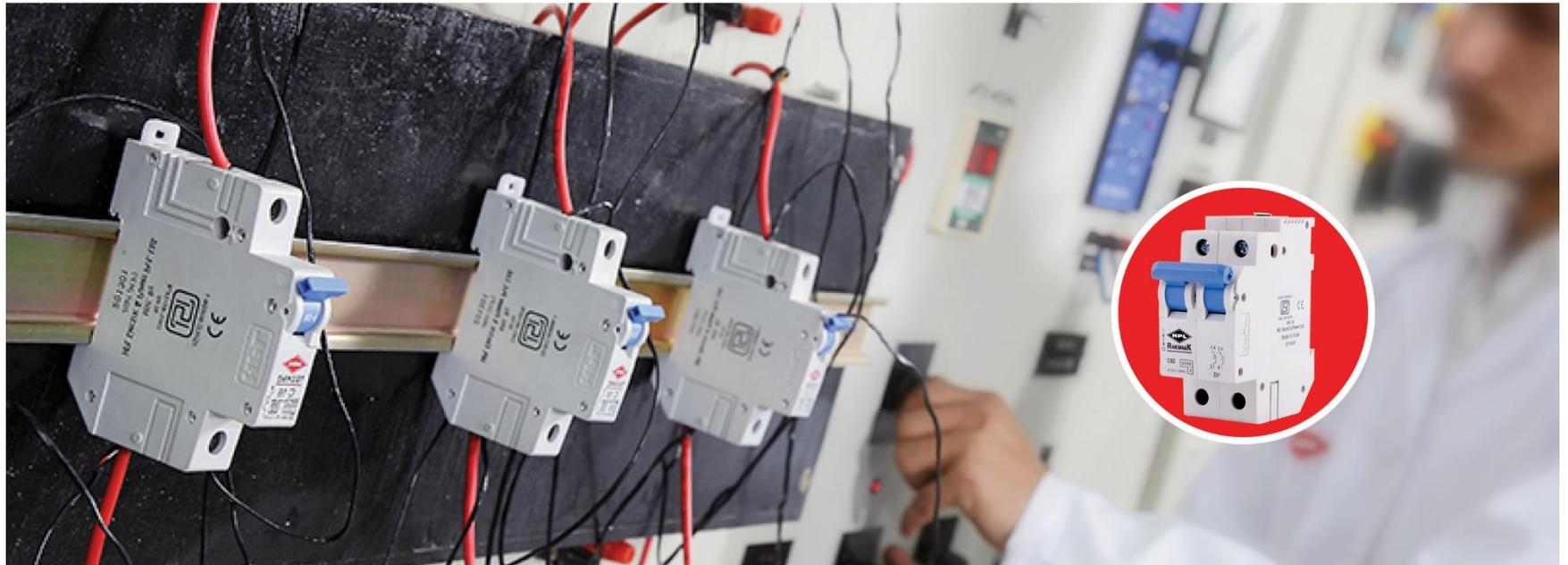


STRONG PRE-QUALIFICATION CREDENTIALS

- 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



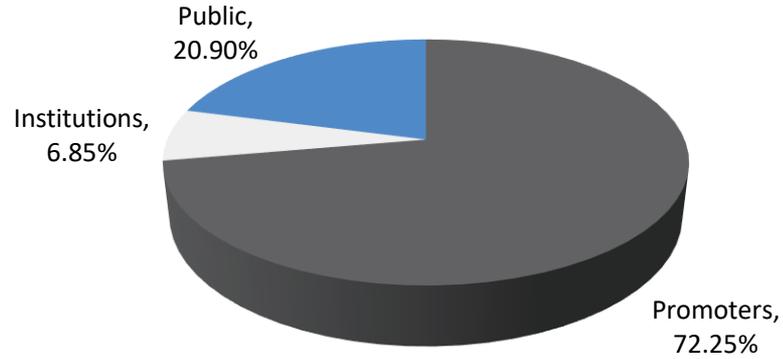
SHAREHOLDING STRUCTURE



SHAREHOLDING STRUCTURE



SHAREHOLDING – 31ST DECEMBER 2018



Source – BSE

KEY INVESTORS – 31ST DECEMBER 2018

% Holding

HDFC AMC	6.03%
EQ India Fund	0.67%

Source – Company

Thank You



Mr. Gautam Seth
Joint Managing Director
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DICKENSON

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HPL Electric & Power Ltd.

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