

CG Power and Industrial Solutions Limited

Registered Office:
CG House, 6th Floor, Dr Annie Besant Road, Worli, Mumbai 400 030, India
T: +91 22 2423 7777 F: +91 22 2423 7733 W: www.cgglobal.com
Corporate Identity Number: L99999MH1937PLC002641



Smart solutions.
Strong relationships.

Our Ref: COSEC/183/2023-24

13th February, 2024

By portal

The Corporate Relationship Department

BSE Limited
1st Floor, New Trading Ring
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001

Scrip Code : 500093

The Assistant Manager – Listing

National Stock Exchange of India Ltd.
Exchange Plaza, Bandra-Kurla
Complex,
Bandra (East),
Mumbai 400 051

Scrip Id : CGPOWER

Dear Sir/Madam,

Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- Investor Presentation.

With reference to the disclosure dated 7th February, 2024, informing about the schedule of the analysts/investor meet held today i.e. Tuesday, 13th February, 2024 and pursuant to Regulations 30(2) and 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, please find enclosed copy of the Investor presentation made today.

Request you to kindly take the above information on record.

Thanking you.

Yours faithfully,
For **CG Power and Industrial Solutions Limited**

Sanjay Kumar Chowdhary
Company Secretary and Compliance Officer

Encl.: as above.



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CG Power and Industrial Solutions Limited

Investor/ Analyst Presentation

Q3 FY 2023-24



murugappa



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Company Background



- CG Power and Industrial Solutions Ltd (“CGPISL”) is an **85+ years old Company** with 16 manufacturing facilities in India and 2 operating subsidiaries (including one outside India).
- Consumer products business (B2C business) in the erstwhile Crompton Greaves Ltd. was demerged in FY 2015-16 and the name of the company was changed to CGPISL with different ownership.
- Business Divisions of the Company are:



Subsidiaries

Subsidiary name ¹	Sales (Rs. In crs)	PBT (Rs. In crs)
Drives & Automation, Europe	326	36
CG Adhesives Products Ltd, India	21	3

Note:

¹ The above numbers for Subsidiaries pertains to 9M FY24 converted at average exchange rates

Leadership Team



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Mr. Natarajan Srinivasan
Managing Director



Mr. Ramesh Kumar N
President - Industrial Division



Mr. Mukul Srivastava
President - Switchgears Division



Mr. Ajay Jain
*Vice President - Transformers
Division*



Mr. Chidambaram Balakrishnan
*Vice President -
Railway Division*



Mr. Indraneel Dhaneshwar
Vice President - Motors Business



Mr. Susheel Todi
Chief Financial Officer



Mr. Sudhir Kulkarni
Vice President - Human Resources



Mr. Sanjay Chowdhary
Company Secretary



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CG Power and Industrial Solutions Limited

Standalone Performance

CGPISL (Standalone)

Performance Highlights



Rs. In crores	FY 20-21	FY 21-22	FY 22-23	CAGR % FY21-FY23	Q3 FY 23-24	Q3 FY 22-23	YoY growth %	9M FY 23-24	9M FY 22-23	YoY growth %
Sales	2,526	5,159	6,580	61%	1,860	1,645	13%	5,526	4,792	15%
EBITDA	157	642	1,016	155%	301	295	2%	891	744	20%
EBITDA %	6.2%	12.4%	15.4%		16.2%	18.0%		16.1%	15.5%	
PBT (before EI)	(91)	502	927	220%	282	274	3%	831	675	23%
PBT %	(3.6%)	9.7%	14.1%		15.1%	16.6%		15.0%	14.1%	
PAT (excluding EI)	(225)	387	729	80%	216	192	13%	621	492	26%
Reported PAT	689	627	785	7%	216	243	-11%	764	545	40%
Capital Employed	1,978	2,122	2,433		3,205	2,421		3,205	2,421	
ROCE % (annualised)	5%	34%	47%		38%	55%		37%	46%	
Unexecuted Order Book	2,730	3,550	4,319	26%	5,556	4,136	34%	5,556	4,136	34%

EI: Exceptional items

- For quarter ended 31 Dec 2023, Sales grew by 13% YoY while PAT (excluding EI) grew by 13% YoY.
- For Nine months ended 31 Dec 2023, Sales grew by 15% YoY while PAT (excluding EI) grew by 26% YoY.
- Unexecuted Order book as at 31 Dec 2023 stood at Rs. 5,556 crores (34% growth YoY).

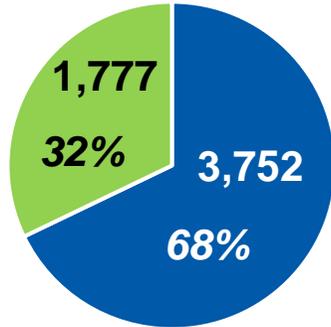
CGPISL (Standalone)

Revenue and PBIT Mix



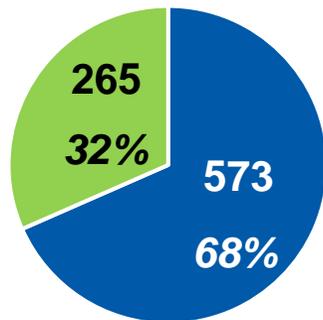
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Sales (Rs. crs) - 9M FY24



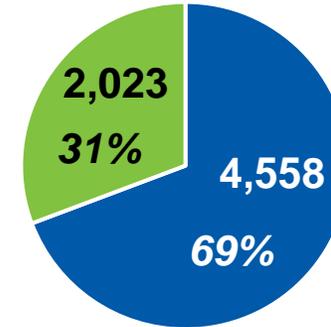
■ Industrial Systems ■ Power Systems

PBIT (Rs. crs) - 9M FY24



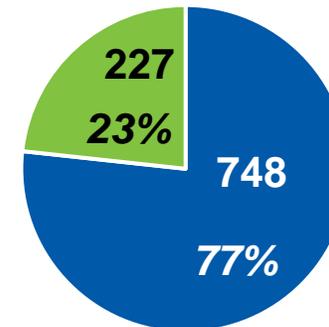
■ Industrial Systems ■ Power Systems

Sales (Rs. crs) - FY23



■ Industrial Systems ■ Power Systems

PBIT (Rs. crs) - FY23



■ Industrial Systems ■ Power Systems

CGPISL (Standalone)

Balance Sheets and Key ratios



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Rs. in crores	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Fixed Assets	834	786	784	803
Investments	407	303	302	304
Non-current assets	24	14	11	8
Deferred tax assets	230	434	623	733
Inventories	658	490	447	382
Trade Receivables	1,305	1,230	889	522
Other Current Assets	316	286	314	440
Cash and cash equivalents	1,379	662	460	399
Assets held for sale	-	-	-	280
Total Assets	5,154	4,204	3,830	3,871
Shareholders Equity	3,205	2,430	1,819	1,034
Borrowings	-	-	299	942
Other Non-current liabilities	60	47	47	38
Trade Payables	1,365	1,253	1,125	999
Other Current Liabilities	524	474	539	859
Total Liabilities	5,154	4,204	3,830	3,871
Net Cash/ (Net Debt)	1,379	662	161	(542)
Net Working Capital	598	467	211	(95)

Net Working Capital	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Inventory days	46	38	44	80
Trade Receivable days	64	68	68	98
Trade Payable days	(84)	(88)	(97)	(185)
Cash conversion cycle	26	19	15	(8)

Key Ratios	9M FY24	FY 23	FY 22	FY 21
ROCE % (annualised)	37%	47%	34%	5%
Debt to Equity ratio (times)	-	-	0.16	0.91
Current Ratio	1.94	1.54	1.27	0.94
Fixed Asset Turnover (annualised)	9.10	8.38	6.50	2.97
RoNW % (annualised)	27%	37%	32%	67%
Free Cash Flow (Rs. Crs)	606	749	388	(379)

- Balance sheet today is strong (**Company is debt free**)
- Increase in investments pertains to reassessment of investment in CG Drives & Automation Sweden.
- In January 2024, Company has declared interim dividend of Rs. 1.30 per share (65% on face value) aggregating Rs. 199 crs.



- ✓ Market leader and Volume player in Motors business.
- ✓ Excellent reach with loyal Channel Partners
- ✓ Proposed expansions in Motors, Transformers and Switchgears aggregating Rs. 662 crs to give further economies of scale. *(Further details in next slide)*
- ✓ Diversified product portfolio with complete range for Power Transmission and Distribution sub-station.
- ✓ Lean cost structure and capability to serve customised solutions to customers.
- ✓ State of the art Manufacturing facilities.



Sr. No	Plant	Capacity Expansion	Capex (Rs. In crs)	Incremental Revenue at Full Capacity	Expected Completion
1	Low Tension Motors, Ahmednagar & Goa	Doubling of capacity from ~10 lacs p.a. to 18 lacs units p.a.	327 crs	Rs. 3,260 crores	Q2 FY 25-26
2	Power Transformer, Bhopal	From 17,000 MVA to 35,000 MVA	104 crs	Rs. 950 crores	Q4 FY 24-25
3	Distribution Transformer, Gwalior	From 6,900 MVA to 9,900 MVA	40 crs	Rs. 325 crores	Q4 FY 24-25
4	High Tension Motors, Bhopal	From 1008 to 1728 units p.a.	35 crs	Rs. 400 crores	Q4 FY 24-25
5	Switchgears, Nashik	Bushings, Gas and Air Insulated Switchgears – various capacity expansion	155 crs	Rs. 1250 crores	Phase 1 - Q4 FY 24-25 Phase 2 – Q4 FY 26-27
Total			662 crs		

- ❖ All the above expansion capex are on track and are expected to be completed as per targeted timelines.



Industrial Systems

(A) Motors, Drives and Consumer products

(B) Railways

Motors, Drives & Consumer Products

Plant Locations and Product Portfolio



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Plant Locations



9
Manufacturing
plants

Locations

No. of plants

Ahmednagar	▲ ◆	3
Goa	▲ ▼ ◆ ■	4
Bhopal	● ◆	2

Product Portfolio

Motors

Low Tension Motors ▲



Large Industrial Motors ●



Fractional Horse Power Motors ▼



Stampings ◆



Drives

Drives & Automation ◆



Consumer products

Commercial Products ■



Motors & Drives

Industry Size and CG Market Share



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Product name	Market Size (Rs. In crs)	CGPISL Market share (in volume terms)				Growth in YTD Sep FY24 vs LY	
		FY22	FY23	YTD Sep FY23	YTD Sep FY24	Market	CGPISL
Low Tension AC Motors	6,200	32%	35%	33%	38%	7%	26%
DC motors	250	36%	29%	35%	22%	-35%	-59%
Large Industrial Motors	2,000	15%	16%	15%	19%	-1%	28%
Fractional Horse Power Motors	1,624	22%	26%	22%	36%	-26%	19%
Drives	3,200	3%	4%	4%	5%		

Source: IEEMA data upto Sep 23. Company estimates for Drives business

Motors & Drives

Customers we serve



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LT Motors

Large Industrial Machines

FHP Motors

Drives & Automation

Industrial Systems (Motors + Railways)

Performance Highlights



Rs. In crores	FY 20-21	FY 21-22	FY 22-23	CAGR % FY21-FY23	Q3 FY 23-24	Q3 FY 22-23	YoY growth %	9M FY 23-24	9M FY 22-23	YoY growth %
Sales	1,794	3,644	4,558	59%	1,214	1,162	5%	3,752	3,362	12%
EBITDA	233	493	780	83%	177	221	-20%	598	584	3%
EBITDA %	13.0%	13.5%	17.1%		14.6%	19.0%		15.9%	17.4%	
PBIT	207	464	748	90%	169	213	-21%	573	560	2%
PBIT %	11.5%	12.7%	16.4%		13.9%	18.3%		15.3%	16.6%	
Capital Employed	119	281	374		475	396		475	396	
ROCE % (annualised)	173%	165%	200%		142%	215%		161%	188%	
Unexecuted Order Book	1,673	1,992	2,040	10%	1,982	1,824	9%	1,982	1,824	9%

- For quarter ended 31 Dec 2023, Sales grew by 5% YoY while PBIT de-grew by 21% YoY.
- During the Quarter, weak demand for Motors led to a price war with everyone trying to sell their volume, poach into customers to retain their market share. The company took a strategic call to sell equally aggressively to retain the customers and protect its turf. This had the effect of dipping the margins on the one hand and a market share gain on the other.
- For Nine months ended 31 Dec 2023, Sales grew by 12% YoY while PBIT grew by 2% YoY.
- Unexecuted Order book as at 31 Dec 2023 stood at Rs. 1,982 crores (9% growth YoY).

Motors & Drives

Growth Drivers



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Railways Business

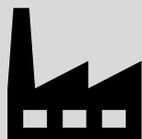
Railways Business

Plant Locations and Product Portfolio



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Plant Locations



3
Manufacturing
plants

Locations

Bhopal ▲ ◆
Pithampur ◆

No. of plants

2
1

Product Portfolio

Rolling Stock Products

Traction Machines ▲



**Railway Transportation
and Traction Electronics** ◆



Signalling products

Railway Signaling ◆



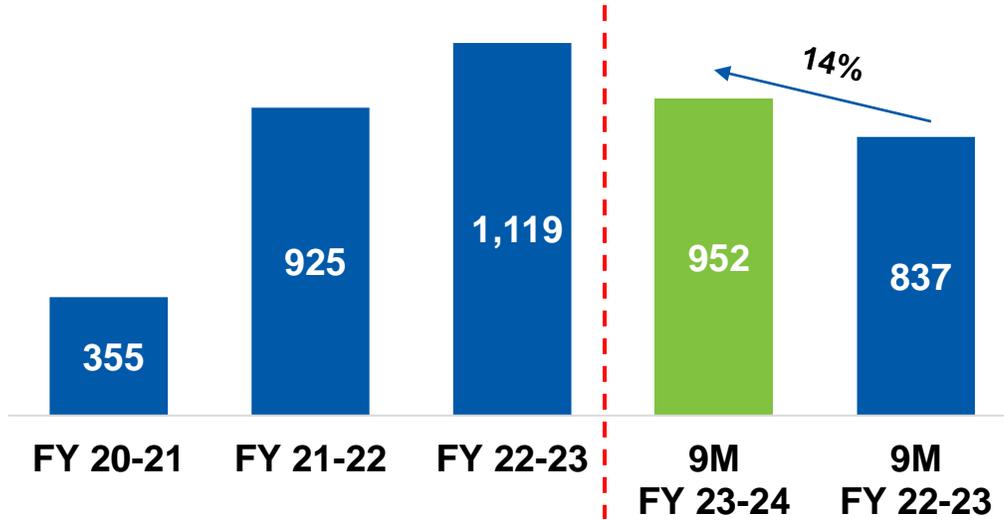
Railways Division

Performance Highlights

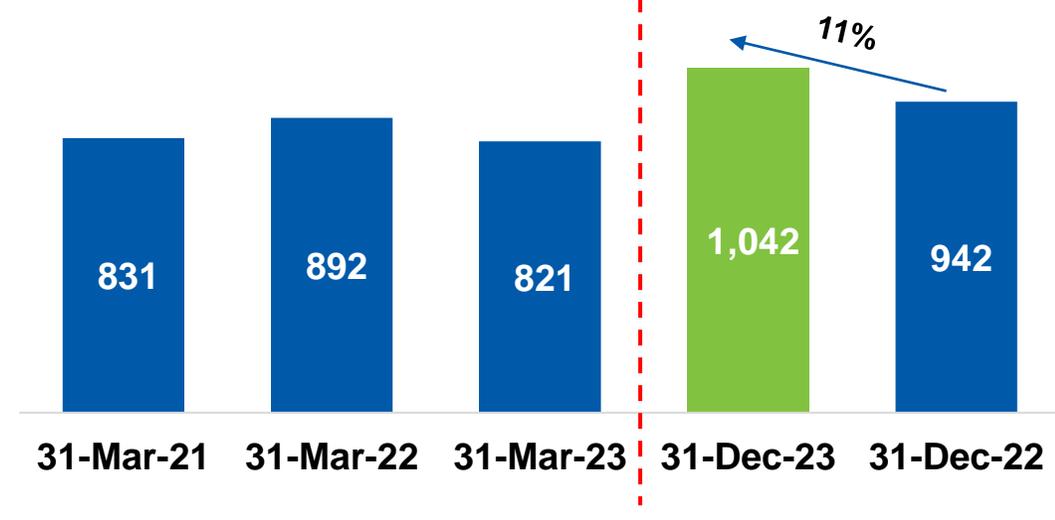


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Sales (Rs. crs)



Unexecuted Order Book (Rs. crs)



- Sales in 9M FY 23-24 have grown by 14% YoY.
- Unexecuted Order book as at 31 Dec 2023 stood at Rs. 1,042 crores **which is highest in recent times.**

Railways Division – Business opportunities



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100% Railway route Electrification	<p>Indian Railways (IR) plans to complete 100% Railway route Electrification by 2024-25 (Over 75% of 68,000 route kms). This has led to increased production of Electric Locomotives where CG supplies Propulsion Systems and Traction Motors.</p>
Demand for urban transport	<p>There is a rapid increase in demand for urban mass transportation systems in the country. Significant jump has been seen in Metro type rolling stock like – Vande Bharat; Vande Metro, Ayushman Bharat & NaMo Bharat. Motor and propulsion developed by CG for Vande Bharat is under trial.</p>
Gati Shakti programme	<p>IR plans to establish ~500 multi-modal cargo terminals under the ‘PM GatiShakti’ programme, with an estimated outlay of Rs. 50,000 crore in 4 to 5 years. More opportunities for components like Motors & Propulsion in enhanced requirement of Locomotives.</p>
Railway Safety & Advanced Signalling	<p>Additional and advanced signaling and safety devices requirements from IR due to expansion in tracks and new areas. Opportunities for TCAS (Kavach), MSDAC (Axle Counters) and Electronic Interlocking has increased. Tech Tie-ups in this area are being explored.</p>
Exploring Global Markets	<p>Large rail network markets like USA, Africa, etc. will help CG enhance its product base for Traction Motors and Power Electronics. Initially exploring repairs business in these markets.</p>
Enhancing Product Offering	<p>Exploring beyond Railways- Other Engineering areas where Traction Motors and Power Electronics can be offered together like Mining and Marines.</p>



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Power Systems

A. Transformers

- Power Transformers
- Distribution Transformers

B. Switchgears

- Air Insulated Switchgears / Gas Insulated Switchgears
- Vacuum Interrupters
- Circuit Breakers
- Instrument Transformers
- Surge Arrestors
- Numerical Relays

Power Systems

Plant Locations and Product Portfolio



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Plant Locations



4
Manufacturing
plants

Locations

Locations	No. of plants
Nashik ▼ ◆	1
Aurangabad ▼ ◆	1
Bhopal ●	1
Gwalior ▲	1

1 2

Products

Range

Distribution Transformer	315 kVA to 2.5 MVA (3.3kV to 33kV Class)
Power Transformer	3.0 MVA to 500 MVA (66 kV to 765 kV)
Locomotive Transformer	6.531 MVA to 7.775 MVA

Product Portfolio

Transformers

Distribution Transformer ① ▲

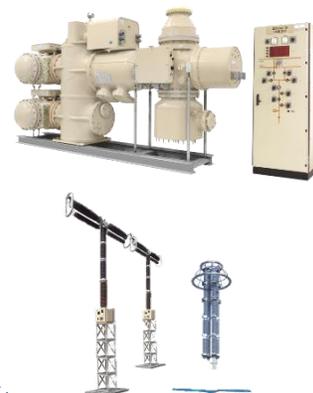


Power Transformer ● ②



Switchgears

EHV Switchgears ▼



MV Switchgears ◆



Power Systems

Industry Size and CG Market Share



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Product name	Range	Market size (Rs. in crs)	CG Market share (in volume terms)		
			FY22	FY23	YTD Sep FY24
A) Transformers					
Power Transformer & Reactor	50 to 500 MVA	10,500	3.7%	6.4%	7.8%
Distribution Transformer	200 kVA to 50 MVA	5,950	4.5%	5.1%	5.6%
B) Switchgears					
Surge Arrestors	3.3kV to 800kV	250	16%	21%	21%
Current Transformers	33kV to 800kV	565	25%	19%	23%
Gas Circuit Breakers	33kV to 800kV	770		27%	29%
Vacuum Circuit Breakers, MV GIS and Ring main unit	66kV to 400kV	4,150		11%	12%

Source: IEEMA data upto Sep 23 and Company estimates

Power Systems

Performance Highlights



Rs. In crores	FY 20-21	FY 21-22	FY 22-23	CAGR % FY21-FY23	Q3 FY 23-24	Q3 FY 22-23	YoY growth %	9M FY 23-24	9M FY 22-23	YoY growth %
Sales	733	1,516	2,023	66%	646	484	34%	1,777	1,430	24%
EBITDA	(55)	181	262	118%	107	65	64%	290	178	63%
EBITDA %	(7.5%)	11.9%	12.9%		16.6%	13.5%		16.3%	12.5%	
PBIT	(96)	145	227	54%	99	57	75%	265	152	74%
PBIT %	(13.1%)	9.5%	11.2%		15.3%	11.7%		14.9%	10.6%	
Capital Employed	66	298	372		414	349		414	349	
ROCE % (annualised)	NA	49%	61%		96%	65%		85%	58%	
Unexecuted Order Book	1,057	1,558	2,279	47%	3,574	2,312	55%	3,574	2,312	55%

- For quarter ended 31 Dec 2023, Sales grew by 34% YoY while PBIT grew by 75% YoY.
- High double digit margins were on account of higher export orders with better margins, favourable product mix and better operating leverage.
- For Nine months ended 31 Dec 2023, Sales grew by 24% YoY while PBIT grew by 74% YoY.
- Unexecuted Order book as at 31 Dec 2023 stood at Rs. 3,574 crores (55% growth YoY). Enquiry Bank for Transformers in excess of Rs. 10,000 crs and similar traction observed in Switchgears as well.



Renewable Energy

- Planned Establishment of 523GW by 2030
- Under National Green Hydrogen mission, Rs.19,744 Crores are allocated to achieve 5 MMTPA of green hydrogen capacity by 2030
- Off shore wind – new market to open up – Govt providing viability gap funding for 1 GW

METRO Projects

- Projects planned in >40 Cities
- Business Potential for DT/PT: 600 Cr (Next 5 Years)

Dedicated Freight Corridors

- Railways target converting 75% of 1x25kV system to 2x25kV by 2030
- Business Potential : 500 Cr (Next 5 Years)

Oil & Gas

- Investments by IOCL, BPCL, Numaligarh Refinery to the tune of Rs.1,50,000 crores during next five years
- Business Potential for DT/PT : Rs. 400Cr (Next 5 years)

Demand for Power Transformers

- Tariff Based Competitive Bidding (TBCB) projects of Rs. 2 lacs crores expected in next 5 years.
- Business Potential for DT/PT: 2000 Cr (Next 5 Years)

Revamped Distribution Sector Scheme (RDSS)

- As on Nov. 2022, total 1.89 L Cr RDSS proposals cleared.
- Business Potential : 1000 Cr (Next 5 Years)



Data Centres

- 45 new data centers of around 1,015 MW capacity are scheduled to be developed by the end of 2025
- Nextra, Brookfield, Princeton, L&T and Yotta Infra are investing
- Business Potential : 300 Cr (Next 5 Years)

Railway

- Rs.2.55 Lakh Crores Capex planned
- 400 Vande Bharat Trains in next 3 years
- 1200 plus Locomotives required per year for next 5 years
- Business Potential : 500 Cr. (Next 5 Years)

Service Business

- Long Terms Service Contracts.
- Spare Modules for Older Installations
- Life Assessment and enhancement programs for supplied material.

Make in India Initiative

- Reduced Chinese Players



Export Business

- Retrofit Business
- Business Potential : 500 Cr (Next 5 Years)

Key highlights on ESG for 9M FY24



Environmental

- 30% reduction in **GHG Emission Intensity (Scope 1 and Scope 2) per rupee of Sale** in 9M FY24 over 9M FY23
- 28% reduction in **Energy Intensity consumption per rupee of Sale** in 9M FY24 over 9M FY23
- 35% reduction in **Intensity of Water consumption per rupee of Sale** in 9M FY24 over 9M FY23
- 14% increment in consumption of **Solar Energy** in 9M FY24 over 9M FY23
- **“Cradle to Gate” LCA (Life Cycle Assessment)** conducted for 6 products at Power Division

Social

- **Gender Diversity** : Improved in 9M FY24 by 0.63% compared to FY 23. (FY 23 – 4.11%, 9M FY24 - 4.74%)
- CSR Initiative of **“construction of Bone Marrow Transplant Isolation ward”** at St. Jude India ChildCare Centre, Chennai
- CSR Initiative of **“Mobile Health Van”** – a collaboration with Wockhardt foundation to provide health care facilities at rural areas of Malanpur.
- CSR Initiative of **“Setting up of Welding and Winding training skill development center”** by Ahmednagar Auto and Engineering Association (a Section 25 Company) at Ahmednagar.

Governance

- **ESG Governance Structure** finalized and approved by Board of Directors in Risk Management Committee (“RMC”) meeting
- **Assurance for FY24** Business Responsibility and Sustainability Report (**BRSR**) initiated as per SEBI mandate



This Release / Communication, except for the historical information, may contain statements, including the words or phrases such as 'expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, should' and similar expressions or variations of these expressions or negatives of these terms indicating future performance or results, financial or otherwise, which are forward looking statements. These forward looking statements are based on certain expectations, assumptions, anticipated developments and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, market growth, intense competition and the pricing environment in the market, consumption level, ability to maintain and manage key customer relationship and supply chain sources and those factors which may affect our ability to implement business strategies successfully, namely changes in regulatory environments, political instability, change in international copper, aluminum, oil prices and input costs and new or changed priorities of the trade. The Company, therefore, cannot guarantee that the forward-looking statements made herein shall be realized. The Company, based on changes as stated above, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein or make written or oral forward-looking statements as may be required from time to time on the basis of subsequent developments and events. The Company does not undertake any obligation to update forward looking statements that may be made from time to time by or on behalf of the Company to reflect the events or circumstances after the date hereof.



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Thank You!