

July 30, 2021

The Manager Listing Department, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001	The Manager Listing Department, National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra- East, Mumbai- 400 051
Ref:- Scrip Code: 532953	Ref:- Symbol: VGUARD

Dear Sir / Madam,

Sub: Submission of Investor presentation pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

Pursuant to Regulation 30 read with Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we hereby submit the Earnings Presentation on Unaudited Financial Results of the Company for the quarter ended June 30, 2021.

Kindly take the above information on your records.

Thanking You,

For V-Guard Industries Limited



Jayasree K
Company Secretary

Encl: as stated



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V-Guard Industries

Q1 FY22 Earnings Presentation



Disclaimer

Certain statements in this communication may be 'forward looking statements' within the meaning of applicable laws and regulations. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Important developments that could affect the Company's operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.

V-Guard Industries Limited (V-Guard) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.



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Managing Director's Message



Commenting on the performance for Q1 FY22, Mr. Mithun Chittilappilly, Managing Director – V-Guard Industries Limited said, *“During Q1, we have delivered a fairly strong financial and operating performance while bearing the impact of the second wave of Covid-19 that was sharper and more severe than generally expected. Specifically for V-Guard, there is a high business contribution from South and East markets – which bore a greater impact than the rest of the country due to lockdowns in the months of April and May. Extended closures not only resulted in subdued consumer demand but also curtailed supplies from our manufacturing units in Sikkim. Even so, during the quarter, our growth has been broad-based across product categories and geographies – non-South markets contributed to over 43% of revenues, also electricals and consumer durables have expanded extremely well while some categories – electronics and air coolers – had substantial impact on top-line with the second wave coinciding with the peak season.*

During the course of quarter, we saw progressive improvement in business as the second wave abated and conditions normalized to a greater extent. As a result, we delivered a stronger top-line in the month of June. Subsequently, the second quarter has seen improved momentum as the country opens up and the government’s vaccination drive covers a larger part of the population.

During Q1, there also was an increase in costs due to significant commodity cost inflation. While we have been able to offset a major part of the impact, some more pricing actions are being planned in the coming months. Further, A&P spending has been increased to support the business growth – this should apportion more efficiently as revenues expand during the rest of the year, as per plan. Overall, we expect the business to bounce back strongly in the coming quarters, which should drive revenue growth and margin expansion. In the longer term, strengths associated with our brand, distribution and product range as well as the resilience demonstrated by the organization in a tough operating environment provides the platform for broad-based growth opportunities.”

Key Highlights – Q1 FY22



Revenue increased by 38.2% YoY in Q1 FY22

- Q1 FY22 revenue increased by 38.2% YoY to Rs. 560.7 crore; witnessed an impact from lockdowns owing to COVID-19.
- South and Non-South markets witnessed YoY growth of 34.7% and 43.0%, respectively
- Non-South markets contributed to 43.2% of total revenue in Q1 FY22 as compared to 41.7% in Q1 FY21
- South markets contributed to 56.8% of total revenue in Q1 FY22 as compared to 58.3% in Q1 FY21

EBITDA and PAT improve

- Gross margins expanded by 380 bps YoY, at 33% in Q1 FY22
- EBITDA margins (excl. other income) at 7.7% as compared to 2.2% in Q1 FY21
- Ad/promotional spends (exclusive of schemes) increased, at 2.5% of revenues in Q1 FY22 as compared to 0.8% in Q1 FY21
- Q1 FY22 PAT of Rs. 24.6 crore, increased 579.9%; PAT margin at 4.4% as against 0.9% in Q1 FY21

Cash flow generation and balance sheet

- CFO at the end of Q1 FY22 was at negative Rs. 101.5 crore on account of lower sales and seasonal stocking up leading to an inventory pile up
- Core ROCE at 28.4%, up from 24.1% over the last 12 months
- Net cash of Rs. 154.0 crore on balance sheet as on 30th June 2021, as against Rs. 349.3 crore as on 30th June 2020

Note: Core ROCE is calculated on the basis of capital employed excluding cash

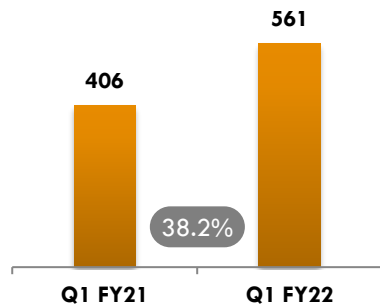
P&L Snapshot



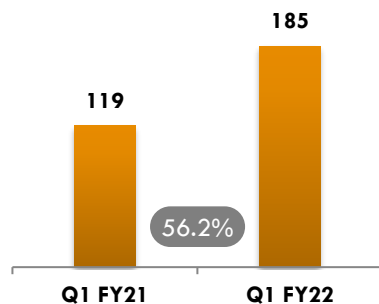
P&L Statement Particulars	Q1 FY22 (Rs. Cr)	Q1 FY21 (Rs. Cr)	Change %	Q4 FY21 (Rs. Cr)	FY21 (Rs. Cr)	FY20 (Rs. Cr)	Change %
Net Revenue	560.72	405.83	38.2%	849.10	2,699.00	2,481.96	8.7%
COGS	375.57	287.26	30.7%	582.24	1,848.73	1,658.20	11.5%
Gross Margin	33.0%	29.2%	3.8%	31.4%	31.5%	33.2%	-1.7%
EBITDA (excluding other income)	43.36	9.06	378.5%	109.93	306.49	253.27	21.0%
as a % to Net Revenue (NR)	7.7%	2.2%	5.5%	12.9%	11.4%	10.2%	1.2%
Other Income (including finance income)	3.97	4.69	-15.3%	4.36	21.10	23.99	-12.1%
EBITDA after other income	47.33	13.75	244.2%	114.29	327.59	277.26	18.2%
as a % to NR	8.4%	3.4%	5.1%	13.5%	12.1%	11.2%	1.0%
PBT	34.91	4.79	628.4%	100.29	284.67	245.44	16.0%
as a % to NR	6.2%	1.2%	5.0%	11.8%	10.5%	9.9%	0.7%
PAT	24.63	3.62	579.9%	68.34	198.98	185.16	7.5%
as a % to NR	4.4%	0.9%	3.5%	8.0%	7.4%	7.5%	-0.1%

Financial Highlights (Q1 FY22 vs. Q1 FY21)

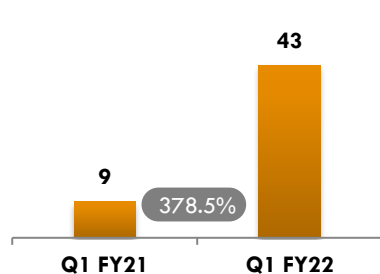
Total Income (Rs. crore)



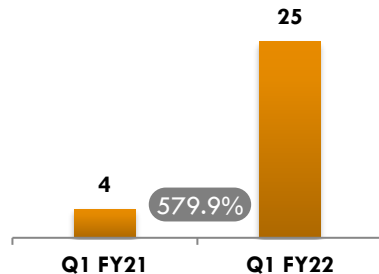
Gross Profit



EBITDA (Rs. crore)



PAT (Rs. crore)



Key ratios (%)	Q1 FY22	Q1 FY21
Gross Margin	33.0%	29.2%
EBITDA Margin (excl. other income)	7.7%	2.2%
Net Margin	4.4%	0.9%
Ad & Promotion Exp. (excl. schemes)/ Total Revenues	2.5%	0.8%
Employee Cost/ Total Operating Income	10.3%	13.5%
Other Expenditure/ Total Operating Income	15.0%	13.5%
Tax rate	29.5%	24.4%
Diluted EPS (Rs.)	0.57	0.08

Financial Highlights – Balance Sheet Perspective



Balance Sheet Snapshot (Rs. Cr)	30 June 2021	31 March 2021	30 June 2020
Net Worth	1,236.1	1,207.8	999.1
Gross Debt	10	10.0	10.0
Current Investments	0.0	0.0	0.0
Cash & Cash Equivalents (inc. bank balance)	164.0	281.1	359.3
Net Cash Position (Rs. crore)	154.0	271.1	349.3
Fixed Assets	379.1	373.3	329.7

Balance Sheet Snapshot (Rs. Cr)	30 June 2021	31 March 2021	30 June 2020
Debtor (days)*	35	52	39
Inventory (days)*	123	124	77
Creditor (days)*	52	93	54
Working Capital Turnover (days)	106	83	61
RoE* (%)	17.8%	16.5%	13.6%
Core RoCE* (%)	28.4%	40.0%	24.1%

Note: *Calculations are on a **trailing twelve month basis**

Core ROCE is calculated on the basis of capital employed excluding cash.

Segment-wise Breakup – Q1 FY22 vs. Q1 FY21



Segment Revenue	Q1 FY22 (Rs. Cr)	Contribution (%)	Q1 FY21 (Rs. Cr)	Contribution (%)	YoY growth (%)
Electronics	159.0	28.4%	137.7	33.9%	15.5%
Electricals	252.0	44.9%	182.7	45.0%	38.0%
Consumer Durables	149.7	26.7%	85.5	21.1%	75.1%
Grand Total	560.7	100.0%	405.8	100.0%	38.2%

Segment Result	Q1 FY22 (Rs. Cr)	Margin (%)	Q1 FY21 (Rs. Cr)	Margin (%)	YoY growth (%)
Electronics	20.7	13.0%	9.3	6.8%	121.9%
Electricals	23.7	9.4%	5.5	3.0%	327.8%
Consumer Durables	-5.9	-3.9%	-8.7	-10.2%	-32.1%
Grand Total	38.5	6.9%	6.2	1.5%	522.0%

Electronics – Stabilizers, UPS, Solar Inverters

Electricals – Wires, Pumps, Switchgears, Modular Switches

Consumer Durables – Fans, Water Heaters, Kitchen Appliances, Air Coolers

Geographical Breakup of Revenues



Region	Q1 FY22 (Rs. Cr)	Contribution (%)	Q1 FY21 (Rs. Cr)	Contribution (%)	YoY growth (%)
South	318.4	56.8%	236.4	58.3%	34.7%
Non-South	242.3	43.2%	169.4	41.7%	43.0%
Total Revenue	560.7	100%	405.8	100%	38.2%







Annexure

Market Overview of V-Guard's Product Portfolio



Electronics	Product	Total Market Size (Rs. Crs.)	Indicative Org. Market Size (%)	Industry Growth Rate (%)	VG Share in Org. Market (%)	Key Players
	Stabilizers	1,700-1,800	55-60%	7-8%	42-45%	Microtek, Livguard, Bluebird
	DUPS & Battery	11,500 -12,000	65-70%	8-10%	4-6%	Luminous, Microtek, Exide

Electricals	Product	Total Market Size (Rs. Crs.)	Indicative Org. Market Size (%)	Industry Growth Rate (%)	VG Share in Org. Market (%)	Key Players
	House Wiring Cables	16,500 -17,000	62-65%	8-10%	6-8%	Polycab, Finolex, Havells
	Switchgears*	3,000-3,500	75-80%	8-10%	3-5%	Havells, Legrand, Schneider
	Modular Switches	6,000-6,500	70-75%	8-10%	**	Anchor, Legrand, Havells
	Pumps*	3,000-3,500	60-65%	5-8%	8-10%	Crompton, Kirloskar, CRI

*Market estimates of VG active product segments only | ** Recent entry/ Growth plan under activation

Market Overview of V-Guard's Product Portfolio

Appliances	Product	Total Market Size (Rs. Crs.)	Indicative Org. Market Size (%)	Industry Growth Rate (%)	VG Share in Org. Market (%)	Key Players
	Water Heaters	2,500-2,600	65-70%	10-12%	14-16%	Havells, Bajaj, Crompton, Racold
	Electric Fans	9,200-9,500	75-80%	8-10%	3-5%	Crompton, Usha, Havells, Orient Bajaj
	Solar Water Heaters	500-600	60-65%	6-8%	14-16%	Sudarshan Saur, Supreme Solar
	Air Coolers	4,500-5,000	30-35%	15-20%	**	Symphony, Bajaj, Voltas
	Kitchen Appliances - <ul style="list-style-type: none"> Mixer Grinders Gas Stoves Water Purifiers Other Small Kitchen Appliances# 	12,000-14,000	65-75%	8-10%	**	Mixer Grinders - Bajaj, Preethi, Prestige Gas Stoves - Stovekraft, Sunflame, Butterfly Water Purifiers - Eureka Forbes, Kent RO, HUL Pureit Others - Faber, Bajaj, Havells

Includes Induction Cooktop, Rice Cooker, Sandwich Makers, Toasters, Grills, Kettles, Chimneys, etc.

** Recent entry/ Growth plan under activation

About V-Guard Industries

V-Guard Industries Limited (BSE:532953, NSE: VGUARD) is a Kochi based company, founded in 1977 by Kochouseph Chittilapilly to manufacture and market Voltage stabilizers. The Company has since then established a strong brand name and aggressively diversified to become a multi-product Company catering to the Light Electricals sector manufacturing Voltage stabilizers, Digital UPS systems & Batteries, Pumps, House wiring cables, Switch gears, Modular switches, Electric water heaters, Fans, Solar water heaters, Air coolers and various Kitchen appliances.

V-Guard outsources ~ 50% of its product profile while the rest are manufactured in – house while keeping a strong control in designs and quality. It has manufacturing facilities at Coimbatore (Tamil Nadu), Kashipur & Roorkee (Uttarakhand), Kala Amb (Himachal Pradesh) and Sikkim.

V-Guard has been a dominant player in the South market, though the last ten years have also seen the Company expanding rapidly in the non-South geographies with their contribution increasing from 5% of total revenues in FY08 to around 42% of total revenues in FY21. Significant investments continue to be made to expand its outlet coverage in the non-South geographies and become a dominant pan-India player.

V-Guard has a diversified client base and an extensive marketing & distribution network. Its client base differs from product to product and includes direct marketing agents, distributors and retailers. The Company today has a strong network of 31 branches which cover ~40,000+ retailers across the country.



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THANK YOU