

V-Guard Industries

Q4 FY24 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 Q4 FY24, Mr. Mithun Chittilappilly, Managing Director – V-Guard Industries Limited said, “The fourth quarter witnessed a good start to the summer season with revival in demand. As a result, we reported consolidated Net revenues of Rs. 1,343 crore in Q4 FY24, higher by 17.9% on a year-on-year basis. Revenues for FY24 were Rs. 4,857 crore, higher by 17.7% over the prior year.

All of segments delivered double digit growth in topline on a year-on-year basis. Growth was led by the Consumer Durables segment which reported topline growth of 27.9% in Q4 on a year-on-year basis followed by the Electronics and Electricals segments with 18.9% and 10.7% topline growth in Q4 respectively.

Sunflame also delivered robust growth for the quarter, leveraging on various strategic initiatives implemented over the last year.

During the quarter, the South market grew by 18.6% y-o-y while the Non-South markets grew by 15.8% YoY.

In the fourth quarter, we have witnessed an improvement in Gross Margin as the benefit of stable commodity prices begins to flow through. We are focused on further improving the margin in ensuing quarters. The battery and kitchen appliances factories which recently commenced commercial production are expected to deliver benefits during the coming year. A&P spends are higher and are now at normative levels.

Increasing efficiency of working capital has enabled cash generation to remain strong during the quarter. The Board of Directors have recommended a final dividend of Rs. 1.4 per share of a face value of Re. 1 each for the financial year 2023-24.

With a strong start to the summer season and indications of demand revival, we expect to deliver improved topline growth in the quarters ahead.”

Key Highlights – Q4 FY24



Revenue increased by 17.9% YoY in Q4 FY24

- Q4 FY24 revenue increased by 17.9% YoY to Rs. 1,342.77 crore
 - South markets witnessed a YoY growth of 18.6% whereas Non-South markets grew by 15.8% in Q4 FY24
 - Non-South markets contributed to 45.1% of total revenues in Q4 FY24 as compared to 45.7% in Q4 FY23
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EBITDA performance and PAT

- Gross margin expanded by 310 bps YoY, at 34.3% in Q4 FY24 with continued moderation in input costs
 - Ad/promotional spends, at 3.2% of revenues in Q4 FY24 as compared to 1.8% in Q4 FY23
 - EBITDA at Rs. 127.85 crore in Q4 FY24 grew 31.5% YoY, as compared to Rs. 97.21 crore in Q4 FY23
 - EBITDA margins expanded by 100 bps YoY, at 9.5% as compared to 8.5% in Q4 FY23
 - Q4 FY24 PAT increased 44.5% YoY to Rs. 76.17 crore
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Robust cash flow generation and balance sheet

- CFO generation for FY24 at Rs. 392.74 crore as compared to Rs. 423.81 crore for FY23
- ROE and ROCE at 14.2% and 15.7%, respectively over the last 12 months
- Net debt as on 31st March 2024 is Rs. 203.49 crore, as against net debt of Rs. 352.62 crore as on 31st March 2023. Repayment of long-term debt pertaining to the Sunflame acquisition has started from April 2024.
- Board of Directors recommended a final dividend of Rs. 1.40 per equity share of Re. 1 each for FY24

P&L Snapshot (including Sunflame)

P&L Statement	Q4 FY24	Q4 FY23	Change	Q3 FY24	FY24	FY23	Change
Particulars	(Rs. Cr)	(Rs. Cr)	%	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	%
Net Revenue	1,342.77	1,139.22	17.9%	1,165.39	4,856.67	4,127.19	17.7%
COGS	882.61	783.53	12.6%	770.59	3,224.03	2,884.80	11.8%
Gross Margin	34.3%	31.2%	3.1%	33.9%	33.6%	30.1%	3.5%
EBITDA (excluding other income)	127.85	97.21	31.5%	101.62	426.71	320.12	33.3%
as a % to Net Revenue (NR)	9.5%	8.5%	1.0%	8.7%	8.8%	7.8%	1.0%
Other Income (including finance income)	4.89	4.07	20.1%	3.19	34.03	16.23	109.7%
EBITDA including other income	132.74	101.28	31.1%	104.81	460.74	336.35	37.0%
as a % to NR	9.9%	8.9%	1.0%	9.0%	9.5%	8.1%	1.4%
PBT	100.63	72.06	39.6%	76.25	340.32	255.74	33.1%
as a % to NR	7.5%	6.3%	1.2%	6.5%	7.0%	6.2%	0.8%
PAT	76.17	52.72	44.5%	58.24	257.58	189.05	36.2%
as a % to NR	5.7%	4.6%	1.1%	5.0%	5.3%	4.6%	0.7%

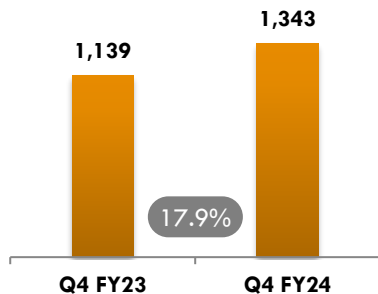
P&L Snapshot (excluding Sunflame)



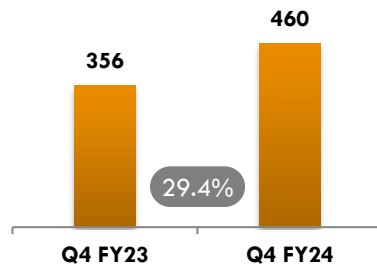
P&L Statement	Q4 FY24	Q4 FY23	Change	Q3 FY24	FY24	FY23	Change
Particulars	(Rs. Cr)	(Rs. Cr)	%	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	%
Net Revenue	1,269.79	1,082.32	17.3%	1,089.12	4,582.55	4,070.29	12.6%
COGS	841.92	748.46	12.5%	722.31	3,054.09	2,849.73	7.2%
Gross Margin	33.7%	30.8%	2.9%	33.7%	33.4%	30.0%	3.4%
EBITDA (excluding other income)	119.90	87.75	36.6%	93.46	397.83	310.66	28.1%
as a % to Net Revenue (NR)	9.4%	8.1%	1.3%	8.6%	8.7%	7.6%	1.1%
Other Income (including finance income)	4.09	3.61	13.3%	2.35	31.29	15.77	98.4%
EBITDA including other income	123.99	91.36	35.7%	95.81	429.12	326.43	31.5%
as a % to NR	9.8%	8.4%	1.4%	8.8%	9.4%	8.0%	1.4%
PBT	93.81	64.05	46.5%	68.1	315.94	247.73	27.5%
as a % to NR	7.4%	5.9%	1.5%	6.3%	6.9%	6.1%	0.8%
PAT	71.25	46.69	52.6%	51.88	239.36	183.02	30.8%
as a % to NR	5.6%	4.3%	1.3%	4.8%	5.2%	4.5%	0.7%

Financial Highlights (Q4 FY24 vs. Q4 FY23)

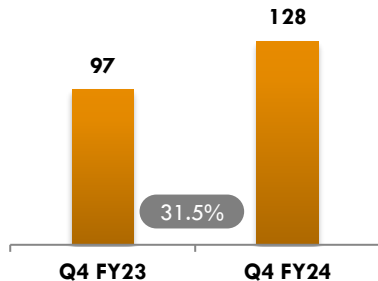
Net Revenue (Rs. crore)



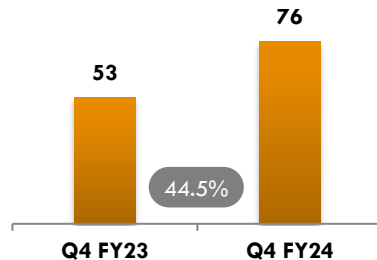
Gross Profit (Rs. crore)



EBITDA (Rs. crore)



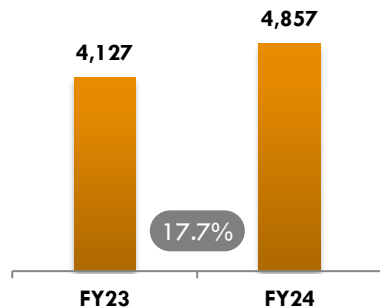
PAT (Rs. crore)



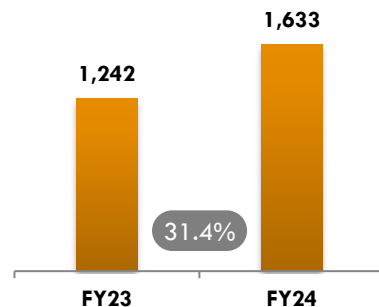
Key ratios (%)	Q4 FY24	Q4 FY23
Gross Margin	34.3%	31.2%
EBITDA Margin (excl. other income)	9.5%	8.5%
Net Margin	5.7%	4.6%
Ad & Promotion Exp./ Net Revenue	3.2%	1.8%
Employee Cost/ Net Revenue	8.2%	7.0%
Other Expenditure/ Net Revenue	16.5%	15.7%
Tax rate	24.3%	26.8%
Diluted EPS (Rs.)	1.74	1.21

Financial Highlights (FY24 vs. FY23)

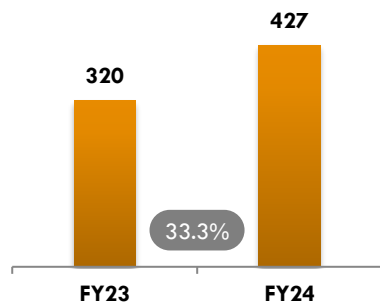
Net Revenue (Rs. crore)



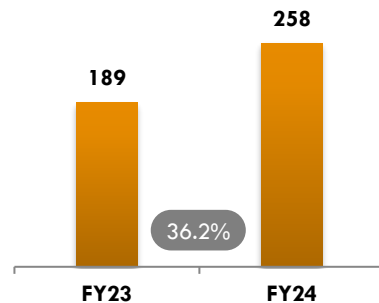
Gross Profit (Rs. crore)



EBITDA (Rs. crore)



PAT (Rs. crore)



Key ratios (%)	FY24	FY23
Gross Margin	33.6%	30.1%
EBITDA Margin (excl other income)	8.8%	7.8%
Net Margin	5.3%	4.6%
Ad & Promotion Exp./ Net Revenue	2.6%	2.2%
Employee Cost/ Net Revenue	8.3%	7.3%
Other Expenditure/ Net Revenue	16.5%	15.0%
Tax rate	24.2%	26.1%
Diluted EPS (Rs.)	5.88	4.35

Financial Highlights – Balance Sheet Perspective



Balance Sheet Snapshot (Rs. Cr)	31 March 2024	31 December 2023	31 March 2023
Net Worth	1,814.22	1,737.16	1,607.62
Gross Debt	291.03	290.03	419.61
Current Investments	30.17	40.16	0.12
Cash & Cash Equivalents (inc. bank balance)	57.37	104.76	66.87
Net Cash Position (Rs. crore)	-203.49	-145.11	-352.62
Fixed Assets	1,116.81	1,069.51	1,019.67

Balance Sheet Snapshot	31 March 2024	31 December 2023	31 March 2023
Debtor (days)*	44	37	50
Inventory (days)*	92	92	97
Creditor (days)*	62	61	62
Working Capital Turnover (days)*	74	68	85
RoE* (%)	14.2%	13.5%	11.8%
RoCE* (%)	15.7%	15.1%	12.0%

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

Based on Consolidated Financials

Segment-wise Breakup – Q4 FY24 vs. Q4 FY23



Segment Revenue	Q4 FY24 (Rs. Cr)	Contribution (%)	Q4 FY23 (Rs. Cr)	Contribution (%)	YoY growth (%)
Electronics	322.76	24.0%	271.53	23.8%	18.9%
Electricals	581.37	43.3%	524.97	46.1%	10.7%
Consumer Durables	365.66	27.2%	285.82	25.1%	27.9%
Sunflame	72.98	5.5%	56.90	5.0%	28.3%
Grand Total	1,342.77	100.0%	1,139.22	100.0%	17.9%

Segment Result	Q4 FY24 (Rs. Cr)	Margin (%)	Q4 FY23 (Rs. Cr)	Margin (%)	YoY growth (%)
Electronics	40.45	12.5%	32.52	12.0%	24.4%
Electricals	59.53	10.2%	47.75	9.1%	24.7%
Consumer Durables	4.80	1.3%	-1.13	-0.4%	
Sunflame	6.89	9.4%	8.00	14.1%	-13.9%
Grand Total	111.67	8.3%	87.14	7.6%	28.2%

Electronics – Stabilizers, UPS, Inverters

Electricals – Wires, Pumps, Switchgears, Modular Switches

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

Sunflame – Products sold under trademark Sunflame and Superflame

Based on Consolidated Financials

Segment-wise Breakup – FY24 vs. FY23



Segment Revenue	FY24 (Rs. Cr)	Contribution (%)	FY23 (Rs. Cr)	Contribution (%)	YoY growth (%)
Electronics	1,165.20	24.0%	994.30	24.1%	17.2%
Electricals	1,973.07	40.6%	1,799.38	43.6%	9.7%
Consumer Durables	1,444.28	29.7%	1,276.61	30.9%	13.1%
Sunflame	274.12	5.7%	56.90	1.4%	
Grand Total	4,856.67	100.0%	4,127.19	100.0%	17.7%

Segment Result	FY24 (Rs. Cr)	Margin (%)	FY23 (Rs. Cr)	Margin (%)	YoY growth (%)
Electronics	164.65	14.1%	130.85	13.2%	25.8%
Electricals	169.72	8.6%	138.57	7.7%	22.5%
Consumer Durables	17.25	1.2%	7.90	0.6%	118.4%
Sunflame	24.64	9.0%	8.00	14.1%	
Grand Total	376.26	7.7%	285.32	6.9%	31.9%

Electronics – Stabilizers, UPS, Inverters

Electricals – Wires, Pumps, Switchgears, Modular Switches

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

Sunflame – Products sold under trademark Sunflame and Superflame

Based on Consolidated Financials

Geographical Breakup of Revenues

Region	Q4 FY24 (Rs. Cr)	Contribution (%)	Q4 FY23 (Rs. Cr)	Contribution (%)	YoY growth (%)
South	696.70	54.9%	587.34	54.3%	18.6%
Non-South	573.09	45.1%	494.98	45.7%	15.8%
Total (excl. Sunflame)	1,269.79	100.0%	1,082.32	100.0%	17.3%
Sunflame	72.98		56.90		28.3%
Total Revenue	1,342.77		1,139.22		17.9%



Region	FY24 (Rs. Cr)	Contribution (%)	FY23 (Rs. Cr)	Contribution (%)	YoY growth (%)
South	2,484.83	54.2%	2,228.62	54.8%	11.5%
Non-South	2,097.72	45.8%	1,841.67	45.2%	13.9%
Total (excl. Sunflame)	4,582.55	100.0%	4,070.29	100.0%	12.6%
Sunflame	274.12		56.90		
Total Revenue	4,856.67		4,127.19		17.7%







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 (%)	Other Key Players
	Stabilizers	1,600-2,000	65-70%	4-6%	40-45%	Microtek, Everest, Premier
	DUPS & Battery	13,000-16,000	65-70%	13-15%	5-7%	Exide, Luminous, Microtek

Electricals	Product	Total Market Size (Rs. Crs.)	Indicative Org. Market Size (%)	Industry Growth Rate (%)	VG Share in Org. Market (%)	Other Key Players
	House Wiring Cables	21,000-25,000	65-70%	9-10%	8-9%	Polycab, Finolex, Havells
	Switchgears*	4,000-4,500	75-80%	8-10%	~ 5%	Legrand, Havells, Anchor
	Modular Switches	7,000-9,000	75-80%	12-14%	**	Anchor, Legrand, Havells
	Pumps*	5,000-6,000	65-70%	7-9%	9-12%	Crompton, Kirloskar, Texmo

*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 (%)	Other Key Players
	Water Heaters	3,000-4,000	80-85%	8-10%	14-16%	Bajaj, Havells, Crompton, Racold
	Electric Fans	12,000-14,000	80-85%	8-10%	5-7%	Crompton, Havells, Orient, Usha, Bajaj
	Solar Water Heaters	800-900	60-65%	5-7%	15-17%	Sudarshan Saur, Supreme Solar, Racold
	Air Coolers	6,500-8,000	35-40%	11-12%	**	Symphony, Bajaj, Voltas
	Kitchen Appliances <ul style="list-style-type: none"> Mixer Grinders Gas Stoves Water Purifiers Other Kitchen Appliances# 	3,500-5,000 2,500-3,000 6,000-6,500 2,200-2,500	70-75% 60-65% 60-65% 75-80%	9-10% 11-13% 15-18% 10-15%	** 5-7% ** **	Mixer Grinders - Bajaj, Preethi, Butterfly Gas Stoves - Prestige, 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 ~ 35% 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, Pantnagar & Haridwar (Uttarakhand), Kala Amb (Himachal Pradesh), Hyderabad (Telangana), Faridabad (Haryana), Sikkim and Vapi (Gujarat).

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 45% of total revenues in FY24. 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 32 branches which cover ~60,000+ channel partners across the country.



For further information, please contact:

Sudarshan Kasturi (CFO)

V-Guard Industries Limited

Tel: +91 484 300 5601

Email: sudarshan.kasturi@vguard.in

Mayank Vaswani / Shruti Joshi

CDR India

Tel: +91 982 094 0953 / +91 750 656 7349

Email: mayank@cdr-india.com / shruti@cdr-india.com



THANK YOU