



Cost Optimization Boosted Our Operating Profitability.

HPL Electric and Power Ltd reports Q3 Cash PAT Grew by 9% YoY to Rs 47.5 Crores

9M FY20 EBITDA Margins Expanded by 130 bps to 12.8%

HPL Electric and Power Ltd (referred to as the “Company”; NSE: Symbol; HPL, BSE: Scrip Code;540136),an established electric equipment manufacturing company in India, manufacturing a diverse portfolio of electric equipment, announced its financial results for the quarter ended December31, 2019.

Consolidated Performance Highlights

Particulars (In Rs Cr)	Q3 FY20	Q3 FY19	YoY %	9M FY20	9M FY19	YoY %
Revenue from Operations	244.1	259.4	-5.9%	764.4	806.0	-5.2%
EBITDA	32.6	32.1	1.5%	97.9	92.8	5.5%
EBITDA Margin %	13.4%	12.4%	98 bps	12.8%	11.5%	130 bps
Reported PAT	6.8	6.7	1.7%	19.4	20.2	-4.0%
PAT Margin %	2.8%	2.6%	21 bps	2.5%	2.5%	3 bps
Cash PAT	15.8	15.1	4.7%	47.5	43.6	8.9%

- Metering business revenues grew by 5% YoY in 9M FY20.
- Lighting business continued to witness good growth momentum despite sectoral headwinds
- Contribution of the switchgear segment was impacted by the overall slowdown in the real estate & macro economy
- 9M FY20 EBITDA Margins expanded by 130 bps YoY to 12.8% driven by higher revenue contribution from the high margin metering business (57% in 9M FY20 Vs 52% in 9M FY19) and efficient cost management

Mr. Gautam Seth, Joint Managing Director, said, “We delivered modest performance during 9M FY20 led by growth in the metering and lighting segment. Increased share from the metering business supported by cost optimization boosted our operating profitability.

In-line with the Central Government’s initiative of installing 25 crore prepaid smart meters within the next three years, various State Electricity Boards (SEBs) have begun gearing themselves to replace conventional meters with smart meters. This renewed thrust by the Government is a major step in the right direction and provides a huge cumulative opportunity size of ~ ₹ 600 to ₹ 900 billion (installation of 25-30 crore smart meters) for prominent meter suppliers like HPL. We expect to see the positive impact of this in the form of higher revenues and improved realizations per meter from Q2 FY21 onwards.

Our lighting business performed well during this quarter and we expect this segment to continue its robust performance going forward as well. Moreover, the Government’s plan of spending ~ ₹ 100 lakh crore towards infrastructure and allied industries over the next five years as announced in the Union Budget 2020 is expected to support demand for HPL’s switchgears and other B2C products in the medium to long term. We believe that HPL is poised for its next leg of growth and create sustainable value for its stakeholders.

HPL Electric & Power Ltd.

1/20, Asaf Ali Road, New Delhi-110002, Tel.: 011-23236811/4411, website: www.hplindia.com



Robust Order Book & Strong Revenue Visibility

- Consolidated current order book stands at ₹368.6crores (net of GST)
 - Metering orders of ₹302.5crores
 - Switchgear orders of ₹66.3 crores
 - Lighting orders of ₹56.7 crores
 - Wires & Cables orders of ₹2.7 crores
 - Enquiry base for Metering tenders is at a healthy level. Tenders amounting to ~ ₹ 2,200 crores (~1.75 crore meters) have been floated or expected to be floated in the near-term