

V-Guard Industries

Q3 FY25 Earnings Presentation



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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 Q3 FY25, Mr. Mithun Chittilappilly, Managing Director – V-Guard Industries Limited said, “*Topline for the third quarter grew 8.9% Y-o-Y with a strong performance from the Electronics segment. The overall demand situation remained moderate during the quarter.*”

The Electronics segment led the growth, achieving a topline increase of 27.9% YoY, followed by the Consumer Durables and Electricals segments, which grew by 8.1% and 1.2%, respectively. The demand for wires was impacted by commodity price fluctuations. The kitchen business is currently facing subdued demand which impacted the overall growth in the Durables segment. Geographically, the Non-South regions continued to perform well with topline growth of ~16% YoY for the quarter, while South markets registered growth of 3.8% YoY.

The improvement in Gross Margin was sustained during the quarter. Higher Advertising and Promotion (A&P) spends during the quarter, especially in Sunflame, had some impact on the bottomline.

We continue our efforts towards efficiently managing working capital which has helped us to maintain the pace of cash generation during the quarter. With the repayment of the Sunflame debt progressing as scheduled, we are on track to fully repay the debt by the close of the financial year.

Margins remain healthy and we look forward to the upcoming summer season with the expectation to deliver robust performance.”

Key Highlights – Q3 FY25



Revenue increased by 8.9% YoY in Q3 FY25

- Q3 FY25 revenue increased by 8.9% YoY to Rs. 1268.65 crore
- South markets witnessed a YoY growth of 3.7% whereas Non-South markets grew by 15.8% in Q3 FY25
- Non-South markets contributed to 48.4% of total revenues in Q3 FY25 as compared to 45.6% in Q3 FY24

EBITDA performance and PAT

- Gross margin expanded by 250 bps YoY, at 36.2% in Q3 FY25 as compared to 33.7% in Q3 FY24
- Ad/promotional spends, at 3.4% of revenues in Q3 FY25 as compared to 2.7% in Q3 FY24 with higher spends especially in Sunflame
- Employee cost for Q3 FY25 is 10.3% of revenues as compared to 7.2% in Q3 FY24. The increase is mainly due to significant one-off reversals in Q3 FY24 towards employee incentives and stock options.
- EBITDA at Rs. 104.14 crore in Q3 FY25 grew 2.5% YoY, as compared to Rs. 101.62 crore in Q3 FY24
- EBITDA margin for Q3 FY25 is 8.2% as compared to 8.7% in Q3 FY24
- Q3 FY25 PAT increased 3.4% YoY to Rs. 60.22 crore

Robust cash flow generation and balance sheet

- CFO generation continued to remain strong for 9M FY25 at Rs. 402.95 crore compared to Rs. 410.04 crore for 9M FY24
- ROE and ROCE at 14.9% and 18.8%, respectively over the last 12 months
- Net cash as on 31st December 2024 is Rs. 27.72 crore, as against net debt of Rs. 145.12 crore as on 31st December 2023.

P&L Snapshot (including Sunflame)



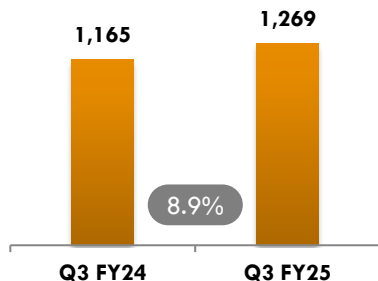
P&L Statement	Q3 FY25	Q3 FY24	Change	Q2 FY25	9M FY25	9M FY24	Change
Particulars	(Rs. Cr)	(Rs. Cr)	%	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	%
Net Revenue (NR)	1,268.65	1,165.39	8.9%	1,293.99	4,039.74	3,513.90	15.0%
COGS	809.96	772.53	4.8%	830.22	2,581.00	2,348.46	9.9%
Gross Margin	36.2%	33.7%	2.5%	35.8%	36.1%	33.2%	2.9%
EBITDA (excluding other income)	104.14	101.62	2.5%	110.26	370.17	298.86	23.9%
as a % to Net Revenue (NR)	8.2%	8.7%	-0.5%	8.5%	9.2%	8.5%	0.7%
Other Income (including finance income)	5.43	3.19	70.2%	4.05	16.39	29.14	-43.8%
EBITDA including other income	109.57	104.81	4.5%	114.31	386.56	328.00	17.9%
as a % to NR	8.6%	9.0%	-0.4%	8.8%	9.6%	9.3%	0.3%
PBT	78.74	76.25	3.3%	84.62	295.72	239.69	23.4%
as a % to NR	6.2%	6.5%	-0.3%	6.5%	7.3%	6.8%	0.5%
PAT	60.22	58.24	3.4%	63.39	222.58	181.41	22.7%
as a % to NR	4.7%	5.0%	-0.3%	4.9%	5.5%	5.2%	0.3%

P&L Snapshot (excluding Sunflame)

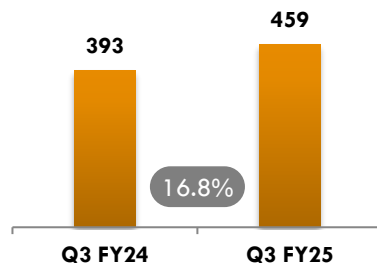
P&L Statement	Q3 FY25	Q3 FY24	Change	Q2 FY25	9M FY25	9M FY24	Change
Particulars	(Rs. Cr)	(Rs. Cr)	%	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	%
Net Revenue (NR)	1,189.30	1,089.12	9.2%	1,232.94	3,840.68	3,312.76	15.9%
COGS	758.76	724.25	4.8%	791.48	2,455.29	2,219.21	10.6%
Gross Margin	36.2%	33.5%	2.7%	35.8%	36.1%	33.0%	3.1%
EBITDA (excluding other income)	101.62	93.46	8.7%	109.36	364.12	277.93	31.0%
as a % to Net Revenue (NR)	8.5%	8.6%	-0.1%	8.9%	9.5%	8.4%	1.1%
Other Income (including finance income)	5.42	2.35	130.6%	3.76	15.73	27.20	-42.2%
EBITDA including other income	107.04	95.81	11.7%	113.12	379.85	305.13	24.5%
as a % to NR	9.0%	8.8%	0.2%	9.2%	9.9%	9.2%	0.7%
PBT	78.01	68.10	14.6%	85.24	294.38	222.13	32.5%
as a % to NR	6.6%	6.3%	0.3%	6.9%	7.7%	6.7%	1.0%
PAT	59.82	51.88	15.3%	63.79	221.78	168.10	31.9%
as a % to NR	5.0%	4.8%	0.2%	5.2%	5.8%	5.1%	0.7%

Financial Highlights (Q3 FY25 vs. Q3 FY24)

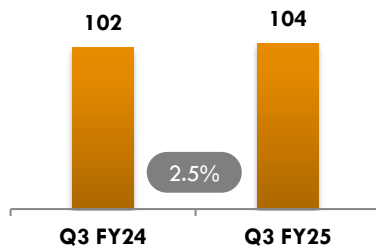
Revenue (Rs. crore)



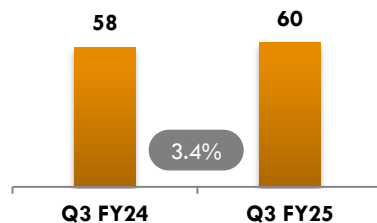
Gross Profit (Rs. crore)



EBITDA (Rs. crore)



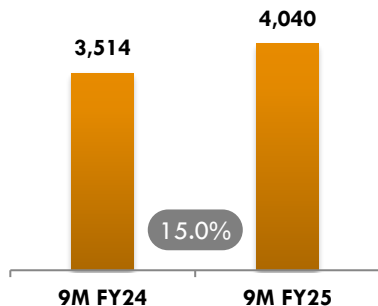
PAT (Rs. crore)



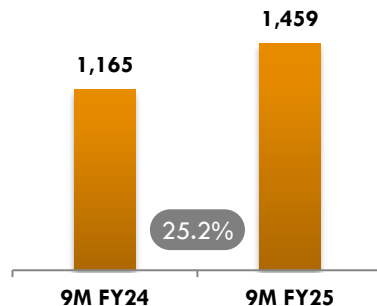
Key ratios (%)	Q3 FY25	Q3 FY24
Gross Margin	36.2%	33.7%
EBITDA Margin (excl. other income)	8.2%	8.7%
Profit after Tax %	4.7%	5.0%
Ad & Promotion Exp./ Revenue	3.4%	2.7%
Employee Cost/ Revenue	10.3%	7.2%
Other Expenditure/ Revenue	17.7%	17.8%
Tax rate	23.5%	23.6%
Diluted EPS (Rs.)	1.37	1.33

Financial Highlights (9M FY25 vs. 9M FY24)

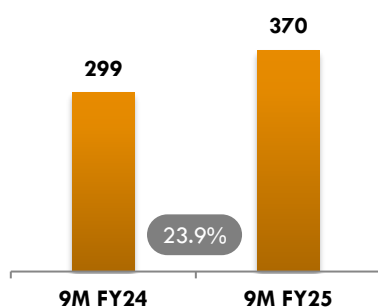
Revenue (Rs. crore)



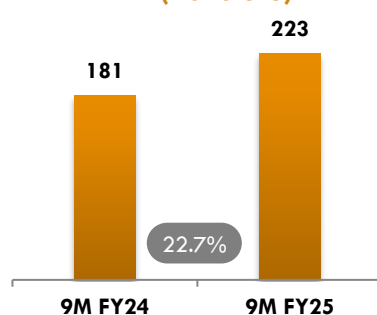
Gross Profit (Rs. crore)



EBITDA (Rs. crore)



PAT (Rs. crore)



Key ratios (%)	9M FY25	9M FY24
Gross Margin	36.1%	33.2%
EBITDA Margin (excl. other income)	9.2%	8.5%
Profit after Tax %	5.5%	5.2%
Ad & Promotion Exp./ Revenue	3.1%	2.4%
Employee Cost/ Revenue	9.5%	8.4%
Other Expenditure/ Revenue	17.5%	16.3%
Tax rate	24.7%	24.3%
Diluted EPS (Rs.)	5.07	4.14

Financial Highlights – Balance Sheet Perspective



Balance Sheet Snapshot (Rs. Cr)	31 December 2024	30 September 2024	31 December 2023
Net Worth	1,999.57	1,930.94	1,737.16
Gross Debt	76.65	146.91	290.03
Current Investments	30.14	80.46	40.16
Cash & Cash Equivalents (inc. bank balance)	74.23	70.71	104.76
Net Cash Position	27.72	4.26	-145.12
Fixed Assets	1,146.96	1,130.47	1,069.51

Balance Sheet Snapshot	31 December 2024	30 September 2024	31 December 2023
Debtor (days)*	28	32	37
Inventory (days)*	106	99	92
Creditor (days)*	66	66	61
Working Capital Turnover (days)*	68	65	68
RoE* (%)	14.9%	15.4%	13.5%
RoCE* (%)	18.8%	18.9%	15.1%

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

Based on Consolidated Financials

Segment-wise Breakup – Q3 FY25 vs. Q3 FY24



Segment Revenue	Q3 FY25 (Rs. Cr)	Contribution (%)	Q3 FY24 (Rs. Cr)	Contribution (%)	YoY growth (%)
Electronics	285.99	22.5%	223.62	19.2%	27.9%
Electricals	478.55	37.7%	472.70	40.6%	1.2%
Consumer Durables	424.76	33.5%	392.80	33.7%	8.1%
Sunflame	79.35	6.3%	76.27	6.5%	4.0%
Grand Total	1,268.65	100.0%	1,165.39	100.0%	8.9%

Segment Result	Q3 FY25 (Rs. Cr)	Margin (%)	Q3 FY24 (Rs. Cr)	Margin (%)	YoY growth (%)
Electronics	56.19	19.6%	33.75	15.1%	66.5%
Electricals	42.94	9.0%	52.12	11.0%	-17.6%
Consumer Durables	17.66	4.2%	20.06	5.1%	-12.0%
Sunflame	2.20	2.8%	9.59	12.6%	-77.1%
Grand Total	118.99	9.4%	115.52	9.9%	3.0%

Based on changes in internal reporting of segment results, certain costs pertaining to corporate functions which were previously allocated to various segments are now presented under unallocable expense. Accordingly, segment information including comparatives for previous periods have been restated.

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

Segment-wise Breakup – 9M FY25 vs. 9M FY24



Segment Revenue	9M FY25 (Rs. Cr)	Contribution (%)	9M FY24 (Rs. Cr)	Contribution (%)	YoY growth (%)
Electronics	1,102.10	27.3%	842.44	24.0%	30.8%
Electricals	1,503.86	37.2%	1,391.70	39.6%	8.1%
Consumer Durables	1,234.72	30.6%	1,078.62	30.7%	14.5%
Sunflame	199.06	4.9%	201.14	5.7%	-1.0%
Grand Total	4,039.74	100.0%	3,513.90	100.0%	15.0%

Segment Result	9M FY25 (Rs. Cr)	Margin (%)	9M FY24 (Rs. Cr)	Margin (%)	YoY growth (%)
Electronics	219.15	19.9%	144.00	17.1%	52.2%
Electricals	141.23	9.4%	140.22	10.1%	0.7%
Consumer Durables	55.47	4.5%	35.54	3.3%	56.1%
Sunflame	5.79	2.9%	19.13	9.5%	-69.7%
Grand Total	421.64	10.4%	338.89	9.6%	24.4%

Based on changes in internal reporting of segment results, certain costs pertaining to corporate functions which were previously allocated to various segments are now presented under unallocable expense. Accordingly, segment information including comparatives for previous periods have been restated.

Electronics – Stabilizers, UPS, Inverters

Electricals – Wires, Pumps, Switchgears, Modular Switches

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Geographical Breakup of Revenues

Region	Q3 FY25 (Rs. Cr)	Contribution (%)	Q3 FY24 (Rs. Cr)	Contribution (%)	YoY growth (%)
South	614.07	51.6%	592.20	54.4%	3.7%
Non-South	575.23	48.4%	496.92	45.6%	15.8%
Total (excl. Sunflame)	1,189.30	100.0%	1,089.12	100.0%	9.2%
Sunflame	79.35		76.27		4.0%
Total Revenue	1,268.65		1,165.39		8.9%



Region	9M FY25 (Rs. Cr)	Contribution (%)	9M FY24 (Rs. Cr)	Contribution (%)	YoY growth (%)
South	1,990.31	51.8%	1,787.61	54.0%	11.3%
Non-South	1,850.37	48.2%	1,525.15	46.0%	21.3%
Total (excl. Sunflame)	3,840.68	100.0%	3,312.76	100.0%	15.9%
Sunflame	199.06		201.14		-1.0%
Total Revenue	4,039.74		3,513.90		15.0%



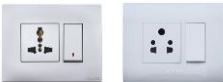



Annexure

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.



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THANK YOU