



November 8, 2022

To,

**BSE Limited**

**: Scrip Code- 500031**

Department of Corporate Services  
Phiroze Jeejeebhoy Towers  
Dalal Street Mumbai 400 001

**National Stock Exchange of India Limited**

**: BAJAJELEC - Series: EQ**

Listing Department  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai 400 051

Dear Sir/Madam,

**Sub.: Presentation on the Financial Results of Bajaj Electricals Limited (“the Company”) for the second quarter and half year ended September 30, 2022**

The presentation on the Financial Results of the Company for the second quarter and half year ended September 30, 2022, is enclosed.

We request you to take it on records.

Thanking you,

Yours Faithfully,

For Bajaj Electricals Limited

Ajay Nagle

Company Secretary and Head of Department

Encl.: As above.



Investor Presentation: Q2 FY'23  
8<sup>th</sup> November, 2022

# Disclaimer

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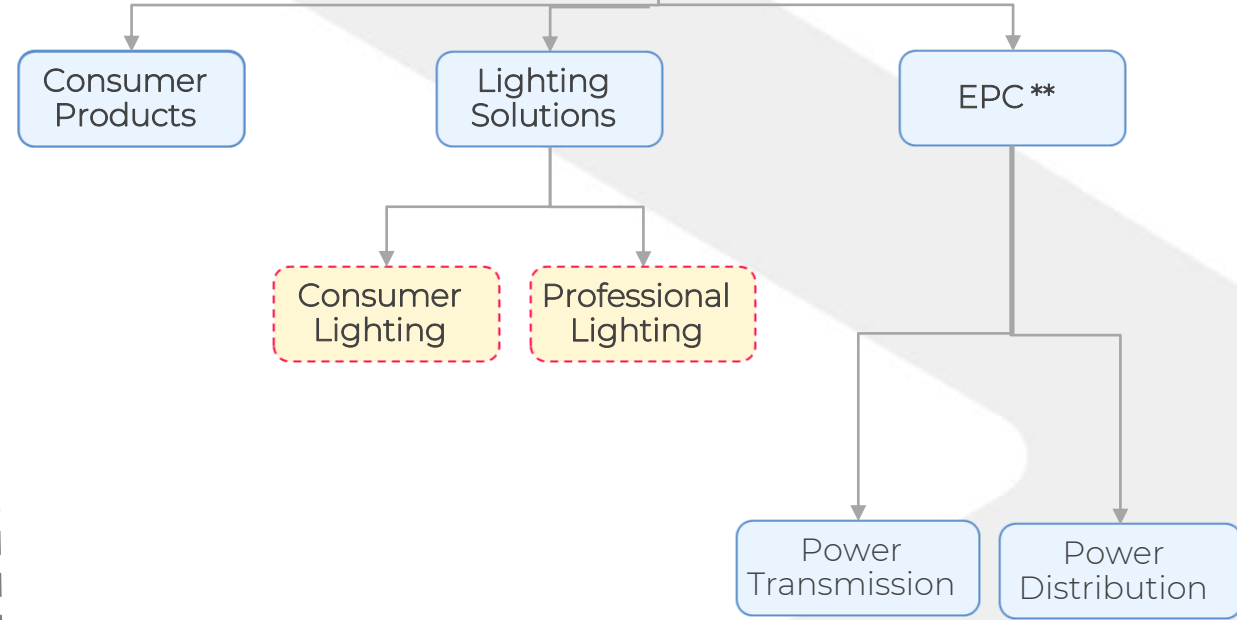
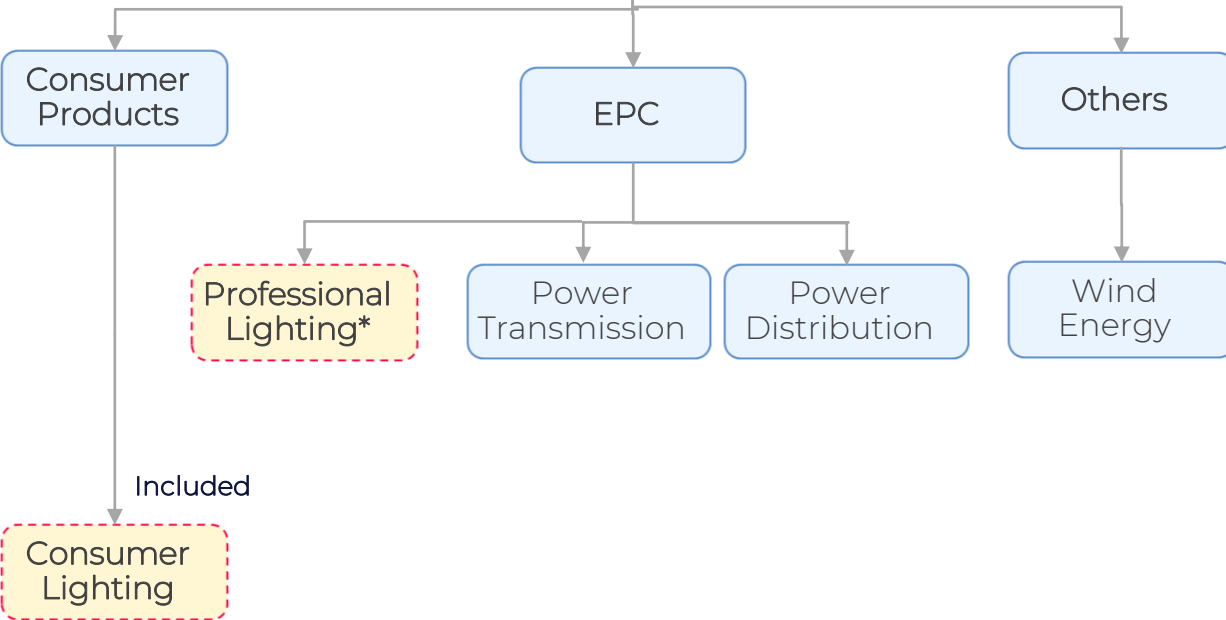
# New Operating Segments Structure

Erstwhile (Until 30-Jun-22)

New (w.e.f. 1-Jul-22)

Operating segments

Operating segments



\* Professional Lighting was earlier referred to as "Illumination"

\*\* PD & PT business would be carved out from Bajaj Electricals Limited into a new listed entity Bajel Projects Limited pursuant to a scheme of demerger

# Performance Overview : Q2 FY'23



## Core FMEG\* Performance (Moderate degrowth of 2.8%; 3year CAGR: 11.2%)

- Consumer side (B2C) de-grew by 4% because of high inflation resulting in lower offtake
- Industrial & Infra side (B2B) grew by 4% on YoY basis due to strong execution & healthy order book
- Operating Margin at 7.6% mainly due to higher cost inventory liquidation
- Lighting Solutions: Focused BU created to consolidate leadership along with margin expansion



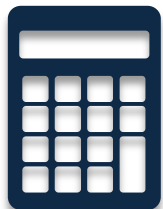
## Channel Highlights

- CP segment : Balanced Portfolio b/w Trade and Alternate (60 : 40)\*\*
- CP segment : Sustained double digit growth in MT: 10% on YoY basis fuelled by premium/DMDC launches
- Reach expansion : Trade (33 distributors, > 1,000 retail outlets), MT (c.100 stores addition)
- Lighting Solutions segment : Alternate channels increased revenue contribution (14% in Q2 FY'23 vs. 8% in LY)



## Cash Conversion & Balance Sheet (BS) Strength

- 14<sup>th</sup> consecutive quarter of positive Cash Flow from Operations (CFO)
- Healthy BS with C&CE and surplus investments in excess of INR 210 crores



## EPC : Entering Building Phase

- Degrowth of 40% in absence of sufficient order backlog
- Orders worth INR 657 crs secured, order book enhanced to INR 1,350+ cr

# Financial Overview

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- Profit & Loss Statement
- Segment Details
- Operational Highlights
- Cash Flow Summary
- Cash Position

# Profit & Loss (P&L) Statement

(All fig. in INR Crores)

Particulars	Q2 FY'23	Q2 FY'22	YoY Gr (%)	Q1 FY'23
Net Sales	1,226	1,302	(5.9)%	1,229
Less : COGS	838	918	(8.7)%	852
<b>Gross Margin</b>	<b>388</b>	<b>384</b>	<b>0.8%</b>	<b>377</b>
Staff Cost	106	104	1.9%	102
Other Expenses	186	186	0.0%	200
Dep. & Amortisation	19	17	15.2%	19
Add : Other Income	18	21	(15.1)%	8
<b>EBIT</b>	<b>94</b>	<b>99</b>	<b>(4.5)%</b>	<b>65</b>
<b>As % of Net Sales</b>	<b>7.7%</b>	<b>7.6%</b>		<b>5.2%</b>
Less : Finance Cost	10	19	(48.9)%	8
<b>PBT</b>	<b>84</b>	<b>79</b>	<b>6.4%</b>	<b>57</b>
Less : Taxes	22	17	33.5%	16
<b>PAT</b>	<b>62</b>	<b>63</b>	<b>(0.9)%</b>	<b>41</b>
<b>As % of Net Sales</b>	<b>5.1%</b>	<b>4.8%</b>		<b>3.4%</b>

## Commentary

### Gross Margin :

- Expansion of 220 bps mainly driven by margin expansion in Lighting Solutions segment

### Staff Cost

- Sustained at optimum levels

### Other Expenses

- Increase in product promotion (redemption of RBP loyalty program points) and service charges by INR 6 crs offset by cost optimisation program
- Brand investment at 2.3% of Core FMEG (consumer side) sales

### Finance Cost

- Includes INR c.4.5 crs of interest on vendor financing and EPC advances



# Segment Details

## Segment Revenue

Particulars	Q2 FY'23 (in Crores)	Q2 FY'22 (in Crores)	YoY Gr (in %)	Q1 FY'23 (in Crores)
Consumer Products	883	905	(2.4)%	855
Lighting Solutions	276	286	(3.7)%	274
EPC	67	111	(39.4)%	100
<b>Total Revenue</b>	<b>1,226</b>	<b>1,302</b>	<b>(5.9)%</b>	<b>1,229</b>

## Segment Results

Particulars	Q2 FY'23		Q2FY'22		Q1 FY'23	
	EBIT (Cr)	EBIT(%)	EBIT (Cr)	EBIT(%)	EBIT (Cr)	EBIT(%)
Consumer Products	62	7.0%	91	10.1%	43	5.0%
Lighting Solutions	26	9.4%	18	6.3%	21	7.8%
EPC	6	8.7%	(19)	(17.3)%	0	0.0%
<b>Total*</b>	<b>94</b>	<b>7.7%</b>	<b>99</b>	<b>7.6%</b>	<b>65</b>	<b>5.2%</b>

\*Includes other un-allocable income & expense | MS: Market Share

## Commentary

### Consumer Products Segment :

- Moderate de-growth amidst high inflation, rural stress and weak consumer demand
- On a 3-year CAGR basis, revenue grew at c.11%

**Lighting Solutions :** Further consolidated its position to No.3 in H1 FY'23 (No. 7 as on end FY'19 and No. 5 as on end FY'22)

- Professional Lighting: Sustained MS gains in a de-growing industry (c.4% growth on both quarterly and half-yearly basis)
- New orders > INR 155 crs secured during the quarter
- Consumer Lighting: Restructuring in distribution resulted in a sequential de-growth of 4%

### EPC Segment :

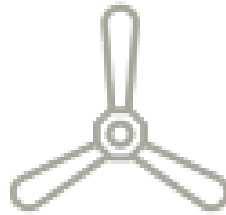
- PD & PT on a combined basis continues to deliver positive operating profit

# Operational Highlights

## Category Growth (YoY): CP Segment



Appliances: 2.3%



Fans: (7.0%)



MR: (25.8%)

## Receivables\* (net of channel finance)

Particulars	Sep'22 (in Crs)	Jun'22 (in Crs)	Mar'22 (in Crs)
Consumer Products (CP)	274	189	155
Lighting Solutions	160	147	171
Power Distribution (PD)	311	352	486
Power Transmission (PT)	190	227	245
<b>Total</b>	<b>935</b>	<b>915</b>	<b>1,057</b>

\* Applicable to Consumer Products and Lighting Solutions segment

## Commentary

### Appliances:

- 3-Yr CAGR at c.18% for the quarter
- Robust growth across all home comfort appliances viz. water heaters, coolers and irons

### Fans:

- c.7% de-growth on YoY basis due to de-stocking for adherence to BEE norms
- 3-Yr CAGR stands at c.8% for quarter
- Premium contribution sustained at c.20% backed by >50 new launches in last 10 quarters

### Receivables:

- Reduction in receivables for PD & PT by INR 78 crs on sequential basis

# Cash Flow Summary: H1 FY'23

Particulars	(INR Crs)
Profit Before Tax	141
Adjustments for :	
• Non-Cash items	61
• (Increase) / Decrease in WC	12
• Taxes Paid	(36)
<b>Net Cash from Operating Activities (A)</b>	<b>178</b>
Capital Expenditure (net of sale proceeds)	(25)
Surplus funds liquidated	29
Investment in mutual funds	(35)
<b>Net Cash (used in) /from investing activities (B)</b>	<b>(31)</b>
Proceeds from issues of shares (net of issue expenses)	5
Proceeds/ (Repayment) of Borrowings	(36)
Payment of Lease Liabilities	(10)
Interest Paid	(17)
Dividend Paid	(34)
<b>Net Cash (used in) /from financing activities (C)</b>	<b>(92)</b>
Net increase / (decrease) in Cash & Bank balances	55
Opening Balance of Cash/Bank Balances	119
<b>Closing Balance of Cash/Bank Balances</b>	<b>174</b>

## Commentary

### Cash Flow from Operating Activities (CFO) :

- Positive CFO of INR 178 crs contributed by operating profits and release of working capital

### Cash Flow from Investing Activities :

#### Capex :

- Towards transition to SAP 4HANA
- Focus on factories and new moulds/ dyes/ jigs/ fixtures, etc.

Investment in MFs to the tune of INR 35 crs as per investment policy (surplus funds)

### Cash Flow from Financing Activities :

#### Dividend :

- Paid to shareholders at 150% of FV
- Payout ratio at 28% of standalone FY'22 PAT

# Cash Position

(All fig. in INR Crores)

Particulars	As on Sep'22	As on Jun'22	As on Mar'22
Cash & Cash Equivalent	174	100	119
Investment (surplus funds)	39	154	24
<b>Sub-Total</b>	<b>213</b>	<b>254</b>	<b>143</b>
Gross Debt	9	15	45
<b>Net Position</b>	<b>204</b>	<b>239</b>	<b>98</b>
<b>Net Worth</b>	<b>1,783</b>	<b>1,749</b>	<b>1,705</b>

## CRISIL ratings :

- Total Bank Loan Facilities for INR 2,000 crores :
  - Long Term Rating – CRISIL A+ (with Developing Implications')
  - Short Term Rating – CRISIL A1+ (with Developing Implications')
- Short term debt of INR 100 crores : CRISIL A1+

# Business Highlights

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- New Launches (Consumer Products, Consumer and Professional Lighting)
- Marquee project (Professional Lighting)
- Project Update (Power Transmission, Distribution)
- Awards & Recognitions

# New Product Launches: Consumer Products



## Juvel Digi Mixer Grinder

- DuraCut® Blades with Lifetime Warranty
- Digital Display & 4 Preset Menus
- Hands-Free Operation



## KUBE Water Heater

- BEE 5 star rating
- Water ripple design
- 7 year warranty (tank)

31\*  
Launches  
in Q2



## SteamPro

- 1300-Watt Garment Steamer
- Steam rate: 20gm/min



## RHT2C Carbon Room Heater

- Multiple heat settings: 450W-900W
- Low Intensity/Brightness due to Carbon Element



## Perfectto Instant Water Heater

- Appealing Sleek Design
- Pipe Concealer

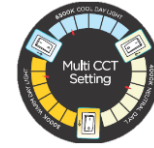
\*No. of SKUs

# New Product Launches: Consumer Lighting

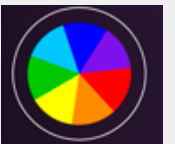


**Eye Care Batten**  
Low Flicker, Best CCT – 5000K and Wider Spectrum

**Hyperion Multi CCT Batten**  
Multi CCT Option for changing to different CCT – CDL/WDL/NDL



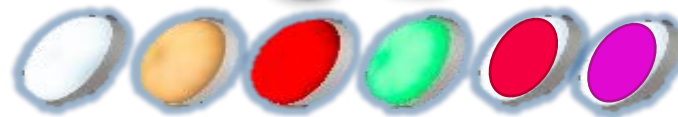
**LEDZ Pingpong Rainbow Lamp**  
Auto Colour changing decoration lamp with 7 different colours



19\*  
Launches in  
Q2



**Hi-5 Plus LED Lamp**  
BEE 5 Star Rated LED Lamp with 135Lm/W Efficacy



**Ivora Full Glow Surface Spot 5W**  
Full Glow Surface Spot light available in 6 exciting colours

\*No. of SKUs

\*No. of SKUs | CCT: Correlation Colour Temperature | CDL: Cool Day Light | WDL: Warm Day Light | NDL: Night Day Light

# New Product Launches: Professional Lighting



## Optibay

- 120Lumens/Watt Efficacy
- Round Form Factor Luminaire with uniform distribution



## Mini Borage

- New aesthetically appealing design.
- Top & Post Mounting. Easy to Install & Maintain

67\*  
Launches in  
Q2

## Tulip 1M Bollard (15W)

- Opal PC Diffuser. CC Driver with High, Open, Short Circuit Protection
- Pressure Die Cast Heat Sink. In Warm White



## Verdant Pro

- Wellglass range with Clear diffuser
- LILO arrangement. With Opal diffuser



## Conscio

- Antiglare reflector optics
- Adjustable Suspension with power cable

\*No. of SKUs



# LEDification: Saurashtra Cricket Stadium, Rajkot



# Project Update

## Power Transmission (PT)

- New orders worth INR 657 crs secured during the quarter (> 90% secured from PGCIL)
- 400kV Suspension and Tension Monopoles successfully type tested at CPRI (withstanding 120% loads)
- 765kV Suspension conventional lattice tower successfully type tested at CPRI
- Tender participation for Transmission works (evacuation and integration of renewable energy capacity) under Green Energy Corridor



# Awards & Recognitions

Recognised at the Technology Excellence Awards 2022 by Quantic India in the category 'Best Digital Transformation Project (Electronics)' for CITISOL LMS Platform for Smart Lighting



# Brand Update

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# New Brand Identity : BAJAJ



<https://www.youtube.com/watch?v=lyPGeFOWoew>

# New Brand Identity : Morphy Richards

**Morphy Richards**  
Happiness Engineered

Iconic British Brand  
Since 1936

2 YEAR Product Warranty

ROTISSERIE

CONVECTION Function

ILLUMINATED Chamber

The advertisement features a woman in a green dress standing in a kitchen, looking at a Morphy Richards toaster oven. The oven is illuminated from within, showing a roasted bird. Below the main image, there are four icons representing product features: a ribbon for '2 YEAR Product Warranty', a rotisserie icon for 'ROTISSERIE', a convection icon for 'CONVECTION Function', and a sun icon for 'ILLUMINATED Chamber'. At the bottom, a row of various Morphy Richards kitchen appliances is displayed, including a microwave, a juicer, a coffee maker, and a blender.

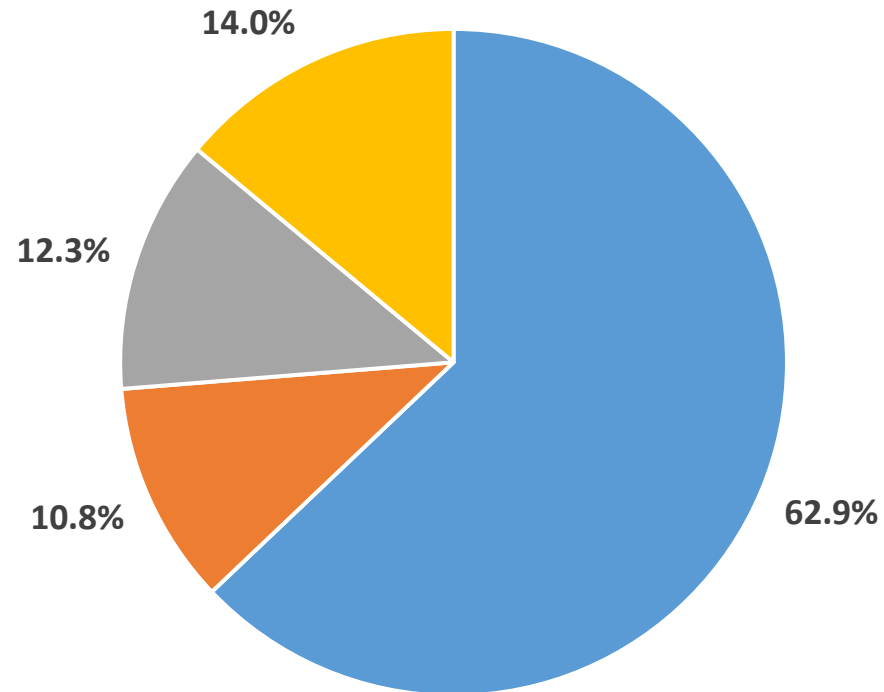
<https://www.youtube.com/watch?v=U0OB9MVPPBM>

THANK YOU

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# Shareholding Information

Pattern as on 30<sup>th</sup> Sep, 2022



■ Promoter and Promoter Group ■ Foreign Institutional Investors  
■ Domestic Investors ■ Others/ Retail Investors

For IR related queries

**Write to us at**

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