

CG Power and Industrial Solutions Limited

Registered Office:

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Corporate Identity Number: L99999MH1937PLC002641



Smart solutions.
Strong relationships.

Our Ref: COSEC/71/2022-23

27th July, 2022

By Portal

The Corporate Relationship Department

BSE Limited

1st Floor, New Trading Ring,

Rotunda Building,

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai 400 001

Scrip Code : 500093

The Listing Department

National Stock Exchange of India Limited

Exchange Plaza, Bandra-Kurla Complex,

Bandra (East),

Mumbai 400 051

Scrip Code : CGPOWER

Dear Sir/Madam,

Sub: Press Release

Please find enclosed Press Release issued by the Company in connection with the financial results for the 1st quarter ended 30th June, 2022, announced today.

Request you to kindly take the same on record.

Thanking you,

Yours faithfully,

For **CG Power and Industrial Solutions Limited**

P Varadarajan

Company Secretary and Compliance Officer



Encl: As above



CG POWER AND INDUSTRIAL SOLUTIONS LIMITED

Q1 FY 2022-23 Performance – YoY Sales grew 63% and operating PBT by 126%

All the businesses of the company performed very well in Q1 FY23 despite supply chain challenges. **Sales and PBT before exceptional items (Standalone) for Q1 FY 2022-23 were the highest in last 26 quarters contributed by growth in all business divisions.**

FINANCIAL RESULTS (STANDALONE)

INR Crores	Q1 FY 23	Q1 FY 22	YoY%	Q4 FY 22	QoQ%
Sales	1,559	954	63%	1,407	11%
EBITDA (including Other income)	189	108	75%	165	14%
EBITDA / Sales %	12.1%	11.3%		11.7%	
PBT	165	73	126%	131	26%
PBT / Sales %	10.6%	7.6%		9.3%	
Exceptional Income (Net)	1	(5)		(0)	
PAT	124	51		109	

Q1 Performance:

- **Aggregate sales** for the quarter were higher at Rs. 1,559 crores recording a growth of 63% YoY and 11% QoQ. (Q1 of last year was impacted by Covid lockdown).
- **PBT** was at Rs. 165 crores (10.6% of sales) in Q1FY23 as against Rs 73 crores (7.6% of sales) in Q1FY22 and Rs. 131 crores (9.3% of sales) in Q4FY22.
- **Margins** were higher due to cost saving initiatives in procurement, increased productivity and reduction in finance costs on account of repayment of term loan.
- **ROCE (on annualised basis)** for Q1 FY23 was at 39% as against 24% in Q1 FY22.
- **Free Cash Flow** generated for the quarter was Rs. 70 crores.

Segment wise performance

Industrial Systems

INR Crores	Q1 FY 23	Q1 FY 22	YoY%	Q4 FY 22	QoQ%
Sales	1,106	687	61%	959	15%
EBITDA	160	71	126%	142	13%
EBITDA / Sales %	14.5%	10.3%		14.8%	
PBIT	153	64	139%	135	13%
PBIT / Sales %	13.8%	9.3%		14.0%	



Q1 Performance:

- Aggregate sales for the quarter were higher at Rs. 1,106 crores recording a growth of 61% YoY and higher by 15% QoQ
- **PBIT** was at Rs. 153 crores (13.8% of sales) in Q1FY23 as against Rs 64 crores (9.3% of sales) in Q1FY22 and Rs. 135 crores (14.0% of sales) in Q4FY22.
- **Margins** were higher in Q1FY23 compared to Q1FY22 due to improvement in productivity and cost savings initiatives.
- Unexecuted Order book as at 30 Jun 2022 was Rs 1,959 crores which grew by 16% compared to Rs.1,691 crores as at 30 Jun 2021.

Power systems

INR Crores	Q1 FY 23	Q1 FY 22	YoY%	Q4 FY 22	QoQ%
Sales	453	266	70%	448	1%
EBITDA	49	37	32%	35	38%
EBITDA / Sales %	10.8%	13.8%		7.9%	
PBIT	40	28	45%	27	49%
PBIT / Sales %	8.8%	10.4%		6.0%	

Q1 Performance:

- Aggregate sales for the quarter were higher at Rs 453 crores recording a growth of 70% YoY and 1% QoQ
- **PBIT** was at Rs. 40 crores (8.8% of sales) in Q1FY23 as against Rs 28 crores (10.4% of sales) in Q1FY22 and Rs. 27 crores (6.0% of sales) in Q4FY22.
- **Margins** were higher sequentially but lower YoY. Q1FY22 margins were better due to execution of export orders with higher margin.
- Unexecuted Order book at the end of 30 Jun 2022 was Rs 1,713 crores which grew by 43% compared to Rs. 1,197 crores as at 30 Jun 2021. Good demand observed for Transformers and Switchgears.

FINANCIAL RESULTS (CONSOLIDATED)

INR Crores	Q1 FY 23	Q1 FY 22	YoY%	Q4 FY 22	QoQ%
Sales	1,665	1,050	59%	1,507	11%
EBITDA (including Other income)	201	116	73%	179	12%
EBITDA / Sales %	12.1%	11.1%		11.9%	
PBT	172	71	142%	139	23%
PBT / Sales %	10.3%	6.8%		9.2%	
Exceptional Income (Net)	1	0		(0)	
PAT	130	55		112	



Consolidated results include the performance of the operating Subsidiaries at USA (QEI Inc.) and in Sweden, Germany and Netherlands (Drives and Automation Europe) and other non-operating and holding subsidiaries.

Q1 Performance:

- Sales for the Quarter were at Rs 1,665 crores (as against Rs 1,050 crores in Q1 of FY22) and PBT (before exceptional items) was at Rs 172 crores (as against PBT of Rs 71 crores in Q1 of FY 22).

Key events in Q1:

1. Tube Investments of India (TII) exercised its option to subscribe to 8.5 crores equity shares by paying the warrant subscription money of Rs. 55 crores. There are no further share warrants outstanding as at 30 Jun 22. TII now holds 58.05% of the Equity share capital of the Company.
2. The company prepaid its remaining term debt of Rs. ~100 crores out of internal accruals and the term loans are now paid in full.
3. India ratings have upgraded the Company's Long term rating from AA- to AA Stable and affirmed short term rating at A1+.
4. The Board of Directors of the Company have approved a Capital expenditure program of Rs. ~210 crs to be implemented in the current financial year. The capex will be spent in expansion, debottlenecking, modernising the existing facilities, Research & Development, Information Technology and Environment Health & Safety (EHS).

Unaudited financial statements with detailed notes are available as part of stock exchange filing and in the company's website www.cgglobal.com



About Murugappa Group

Founded in 1900, the INR 547 Billion (INR 54,722 Crores) Murugappa Group is one of India's leading business conglomerates. The Group has 29 businesses including ten listed Companies traded in NSE & BSE. Headquartered in Chennai, the major Companies of the Group include Carborundum Universal Ltd., CG Power and Industrial Solutions Ltd., Cholamandalam Financial Holdings Ltd., Cholamandalam Investment and Finance Company Ltd., Cholamandalam MS General Insurance Company Ltd., Coromandel International Ltd., Coromandel Engineering Company Ltd., E.I.D. Parry (India) Ltd., Parry Agro Industries Ltd., Shanthi Gears Ltd., Tube Investments of India Ltd. and Wendt (India) Ltd.

The Group holds leadership position in several product lines including Abrasives, Technical Ceramics, Electro Minerals, Auto Components & Systems, Power Conversion Equipment, Transformers & Reactors for the Power T&D segment, Solutions for Railways in Rolling Stock & Signalling Equipment, Bicycles, Fertilisers, Sugar, Tea and Spirulina (Nutraceuticals). The Group has forged strong alliances with leading international companies such as Groupe Chimique Tunisien, Foskor, Mitsui Sumitomo, Morgan Advanced Materials, Yanmar & Co. and Compagnie Des Phosphat De Gafsa (CPG). The Group has a wide geographical presence all over India and spanning 6 continents.

Renowned brands like BSA, Hercules, Montra, Mach City, Ballmaster, Ajax, Rhodius, Parry's, Chola, Gromor, Shanthi Gears and Paramfos are from the Murugappa stable. The Group fosters an environment of professionalism and has a workforce of over 59,000 employees.

For more details, visit <https://www.murugappa.com/>

For further information, please contact:

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