

# Schneider Electric Infrastructure Limited

FY 2018-19

10<sup>th</sup> June 2019

# Disclaimer

All forward-looking statements are Schneider Electric Infrastructure Limited (India) management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

This presentation includes information pertaining to the our markets and our competitive positions therein. Such information is based on market data and our actual sales in those markets for the relevant periods. We obtained this market information from various third party sources (industry publications, surveys and forecasts) and our own internal estimates. We have not independently verified these third party sources and cannot guarantee their accuracy or completeness and our internal surveys and estimates have not been verified by independent experts or other independent sources.

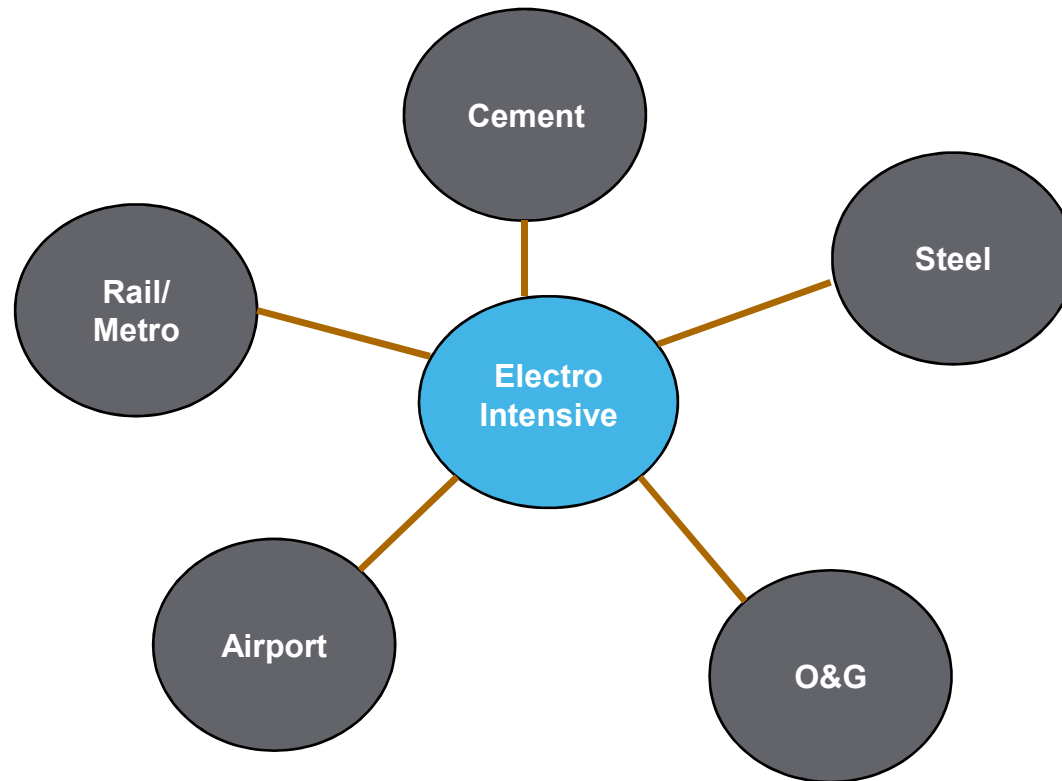


# Macro Economic Outlook - 2019

GDP	Inflation	Interest Rates	Domestic Demand	Govt. Spending
Sustaining at +7%	Decreasing Trend	Continued Easing By RBI	PMI & IIP Indicators Volatile	IPDS/AMRUT/ Solar/ smart City

Utility	Power Gen	Renewable	Transport
<ul style="list-style-type: none"> <li>•State Discoms : IPDS/UDAY /DDU</li> <li>•Private Discoms : Opting for SMART offers ( E-house, Self Healing )</li> </ul>	<ul style="list-style-type: none"> <li>•Land Reform Pending</li> <li>•ECO System is challenging for new PPP generation</li> </ul>	<ul style="list-style-type: none"> <li>Solar capacity addition + Price per MW challenging</li> </ul>	<ul style="list-style-type: none"> <li>Raising demand of urban Metro</li> </ul>
MMM	O&G	CIB	Data Centre
<ul style="list-style-type: none"> <li>• Incremental demand</li> <li>• Housing for All</li> <li>• Steel Policy 2017</li> </ul>	<ul style="list-style-type: none"> <li>•Global Impact on fresh investments</li> <li>• R&amp;M underway</li> </ul>	<ul style="list-style-type: none"> <li>•Investment in SMART campus / Infrastructure / Industrial Corridors</li> <li>•Volatility : Residential Real Estate</li> </ul>	<ul style="list-style-type: none"> <li>Investments in Ecommerce / 4G / Banking..</li> </ul>

## Key Segment of for Electro Intensive Segment



## Key Drivers for Electro Intensive Segment

Segment	Growing Demand	Policy Support	Increasing Investment
<b>Cement</b>	Housing the major portion of cement demand at around 67 %	Government initiatives like housing for all to push demand in this sector	Metro Rail projects
	Real estate market set to increase at a CAGR of 11.6 %	Development of 500 cities with population of more than 0.1 million under new urban development mission	Strong focus of government
	New Infrastructure Projects		Projects like dedicated Freight corridors and ports under development
<b>Steel</b>	Automobile production is growing at a CAGR of 7% +	100 % FDI allowed	The top ISPs have announced significant capacity enhancement plans
	Construction industry is growing at a CAGR of 7%+	National Steel Policy,2017 has come into effect	Increasing number of MOUs signed to boost investment
	Appliance and consumer electronics sector is growing at a CAGR of 8%+	Insolvency & bankruptcy code(IBC)	Foreign Players like ArcelorMittal ,Liberty House etc looking to enter India.
		Reduced Customs Duty & other favourable measures	
<b>O&amp;G</b>	Rising Demand - Crude & Refining Capacity	BS VI Roll out Plan-	Clean Energy
	Revamp & modernization of the plants to produce BS VI grade petrol & diesel		Petrochemicals
<b>Airport</b>	The travel & tourism industry is growing at a CAGR of 7%+	Liberalisation & Open sky policy	Large modernization,development projects,expansion and upgradation of existing airports have been planned
	Growing Trade - Exports (CAGR of 5% +) & Imports (CAGR of 4%+)	Tax exemption for airport projects for a period of 10 years	Increasing Private sector participation,increasing Greenfield Projects
		Focus towards North East India.	Strong projected demand making returns attractive
		Regional Connectivity Scheme	
		100 % FDI for greenfield projects & 74 % for Brownfield	
<b>Urban Rail (Metro) Segment</b>	Rising demand for urban mass transportation	Increased private sector participation- Metro Rail Policy,2017	Improved safety & modernization
		Government focus on infrastructure building	

# Financial Update

## Financial Results- FY 2018-19 vs FY 2017-18

MINR

SEIL results analysis	FY 2018-19		FY 2017-18	
	MINR	%	MINR	%
Sales	13,841		13,337	
Other income	497		247	
<b>Total Sales</b>	<b>14,338</b>		<b>13,584</b>	
Material costs	10,010	72.3%	9,560	71.7%
<b>Gross Margin</b>	<b>4,327</b>	<b>31.3%</b>	<b>4,024</b>	<b>30.2%</b>
Employee costs	1,997	14.4%	1,846	13.8%
Other expenses	1,592	11.5%	2,120	15.9%
<b>EBITDA</b>	<b>738</b>	<b>5.3%</b>	<b>58</b>	<b>0.4%</b>
Depreciation	258	1.9%	269	2.0%
<b>EBITA</b>	<b>480</b>		<b>-211</b>	
Interest	444	3.2%	436	3.3%
<b>Profit before Exceptional items</b>	<b>36</b>	<b>0.3%</b>	<b>-647</b>	<b>-4.8%</b>
Exceptional	280			
<b>Profit after tax</b>	<b>-244</b>	<b>-1.8%</b>	<b>-647</b>	<b>-4.8%</b>

- OG sales is down by (-5%) mainly due to reversal of EESL sales of 170 MINR & System de-growth of -10%.
- IG sales is up by 43% mainly due to LV panels.
- Material cost is adversely impacted due to mix a/c IG Sales
- Employee cost: Savings thru restructuring is offset by Inflation, higher WESOP, Variable pay provision & higher actuarial gain last year
- Exceptional mainly consist of employee restructuring in ETO plant

## Financial Results- Q4 FY-19 vs Q4 FY-18

MINR

SEIL results analysis	Q4 (Jan-Mar 2019)		Q4 (Jan-Mar 2018)	
	MINR	%	MINR	%
Sales	2,843		2,850	
Other income	364		71	
<b>Total Sales</b>	<b>3,206</b>		<b>2,921</b>	
Material costs	1,976	69.5%	1,980	69.5%
<b>Gross Margin</b>	<b>1,230</b>	<b>43.3%</b>	<b>941</b>	<b>33.0%</b>
Employee costs	491	17.3%	458	16.1%
Other expenses	552	19.4%	527	18.5%
<b>EBITDA</b>	<b>188</b>	<b>6.6%</b>	<b>-44</b>	<b>-1.5%</b>
Depreciation	59	2.1%	66	2.3%
<b>EBITA</b>	<b>129</b>	<b>4.5%</b>	<b>-109</b>	<b>-3.8%</b>
Interest	114	4.0%	120	4.2%
<b>Profit before Exceptional items</b>	<b>15</b>	<b>0.5%</b>	<b>-230</b>	<b>-8.1%</b>
Exceptional	0			
<b>Profit after tax</b>	<b>15</b>	<b>0.5%</b>	<b>-230</b>	<b>-8.1%</b>

- OG sales is down by 4%. Services is up by 71% offset by project -78% due to EESL sales reversal.
- IG sales is up by 14% mainly due to LV panels.
- Material cost is favourable with better mix of services off set by IG sales
- Employee cost saving thru restructuring offset by Inflation & higher actuarial gain in last year .
- Exceptional mainly consist of employee restructuring in ETO plant





Life Is On

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