



India Nippon Electricals Ltd



**EARNINGS
PRESENTATION
Q1-FY25**



39 Years
Of
Experience

3
Manufacturing
Plants

1
State-of-art
Research
Center

Tier 1
Supplier to Major
Auto OEM's

1,605+
Employees

Debt Free

14.59%
3 Year Revenue
CAGR

INR
18,345 Mn
Market Cap

30%+
Consistent
Dividend Payout
track record

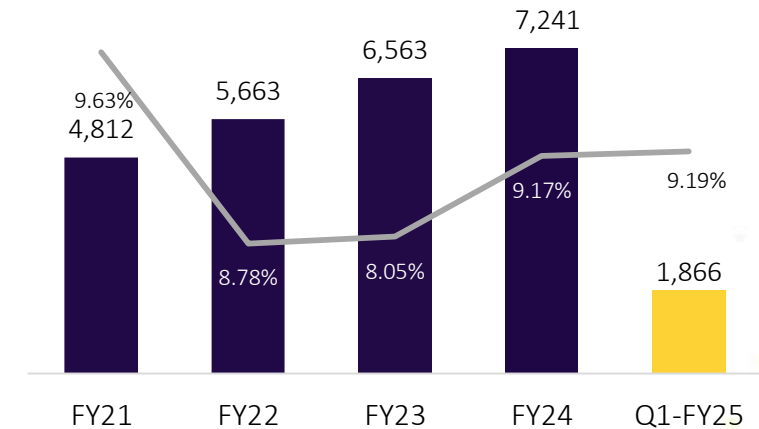
COMPANY OVERVIEW



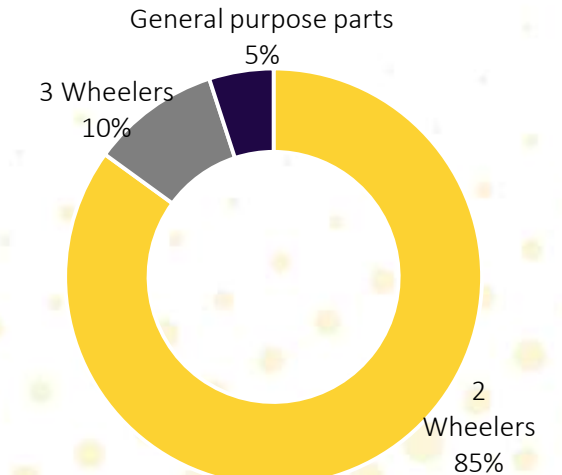
India Nippon Electricals Ltd

- India Nippon Electricals Limited (INEL) was incorporated in 1984 and owned by Lucas Indian Service Limited, a wholly-owned subsidiary of Lucas-TVS Limited to manufacture electronic ignition systems for two-wheelers, three-wheelers and portable engines.
- INEL's product offerings cover all custom-built ignition system parts for various applications to meet the whole range of OEMs in the vehicle industry and enjoys a market leadership position in the electronic ignition system products, and has also recently entered the market for electric vehicles.
- The Company continues to expand its product portfolio and capabilities with future technologies such as sensors, controllers, converters and engine control units etc., in addition to its offerings for internal combustion engines.
- The Company has 3 Manufacturing facilities and state-of-art Tech centre located at Tamil Nadu, Puducherry, and Haryana.
- Over the years, the Company has developed a range of high-quality, differentiated products, which has allowed it to establish a solid customer base in India and an expanding clientele abroad.
- INEL has built a wide customer base in North America, Japan, and Europe and remains committed to increasing its aftermarket and export operations as well.

Revenue (INR Mn) & EBITDA Margins (%)



FY24 Industry Wise Revenue Breakup





TWO WHEELER



THREE WHEELER

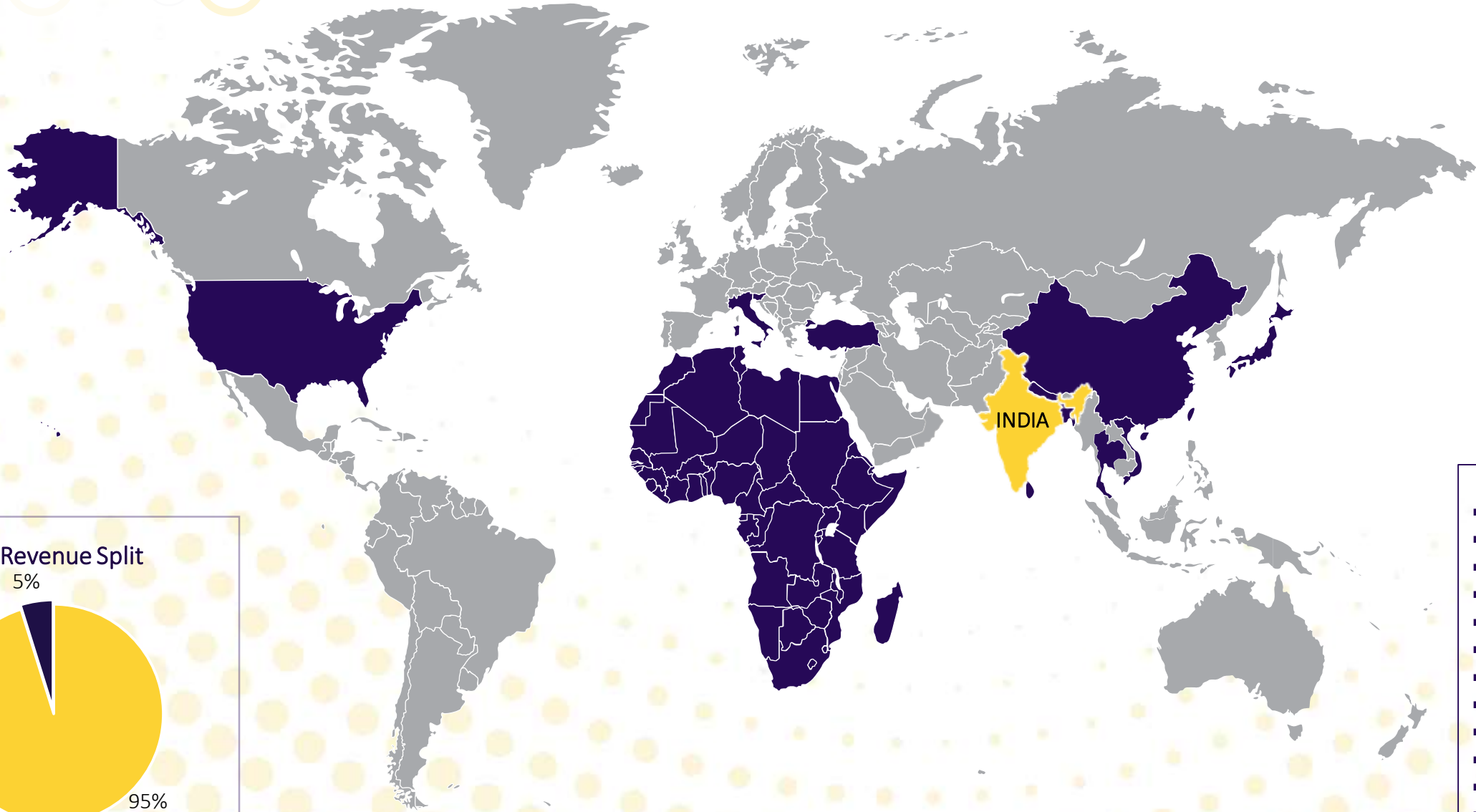


GENERAL PURPOSE ENGINES

GEOGRAPHICAL PRESENCE



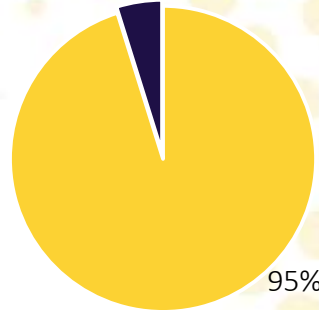
India Nippon Electricals Ltd



- USA
- ITALY
- CHINA
- SLOVENIA
- TURKEY
- VIETNAM
- THAILAND
- JAPAN
- NEPAL
- SRI LANKA
- BANGLADESH
- AFRICA

FY24 Revenue Split

5%



95%

■ Domestic ■ Export



*Logos are meant for representative purposes only



Electronic Ignition System

It is a modern automotive ignition system that replaces the conventional mechanical ignition systems used in older vehicles.

Its primary function is to ignite the air-fuel mixture in the engine's cylinders at the right time to facilitate combustion and power generation.



Controllers

It refers to the various electronic control units (ECUs) and modules that manage and control different systems and functions within the vehicle.

Modern vehicles are equipped with numerous electronic components and systems, and these controllers are responsible for monitoring, regulating, and coordinating their operations.

Integrated Starter Generator system [ISG], combines the functions of a starter motor and an electric generator into a single unit.



Sensors

It is the collection of various sensors installed throughout the vehicle to monitor and provide critical data on its operating conditions.

These sensors play a crucial role in modern automotive systems, enabling advanced functionalities, improving safety, and optimizing performance.



Electric Vehicles

Recently established world-class Technology center in Tamil Nadu is particularly focused on developing EV technology products and Technologies for emission control and compliance.

Mechatronic products with new technology solutions and software are also being designed for wide applications across segments.



Aftermarket

A dedicated team is focusing on aftermarket and several measures are taken to strengthen brand image, product range, constant sales promotion efforts and distribution network to extract maximum value for business.

INEL also conducts skill development programme for 2W mechanics.



Traction Motor

Traction motors are powered by electricity and generate the power to rotate the wheels. Traction motors are typically mounted in the trucks where the wheels are housed.

Motor Controller

It is a critical component in an electric vehicle (EV) that regulates and controls the operation of the electric motor. It manages the power flow from the vehicle's battery to the motor, allowing precise control over the motor's speed, torque, and direction.

DC-DC Converter

It helps manage the power flow and compatibility between these systems. The main purpose of a DC-DC converter in an electric vehicle is to convert the high-voltage DC power from the main battery pack (usually several hundred volts) to lower voltages.

Side Stand Sensor

It gives safety alert to ECU to stall the engine if the side stand is in the lowered position and not dis-engaged.

Cluster

It refers to the instrument cluster or dashboard panel found on a two-wheeled vehicle's handlebars or front section. It provides essential information to the rider about the vehicle's performance, speed, fuel level, engine status, and various other parameters.

Colored LCD cluster in proto stage and TFT Cluster is in development stage.

TPMS

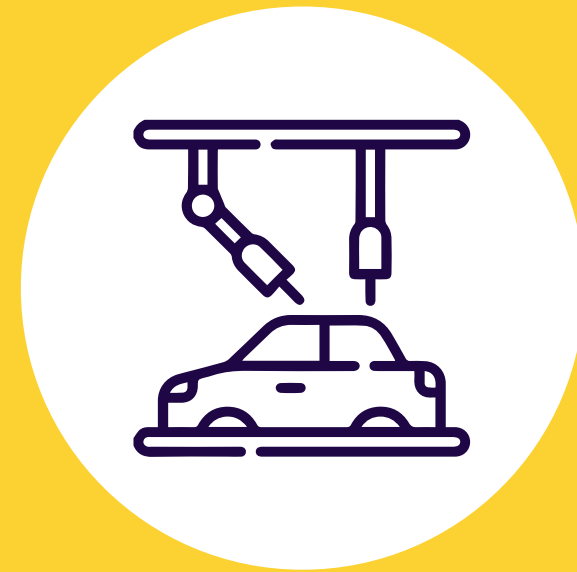
Tyre Pressure Monitoring System is an important safety feature in both conventional and electric vehicles. It is designed to monitor the air pressure in the vehicle's tyres and alert the driver if there is a significant drop in pressure, which can lead to decreased vehicle performance, increased tyre wear, and potential safety risks.



● Under Development

● In Mass Production

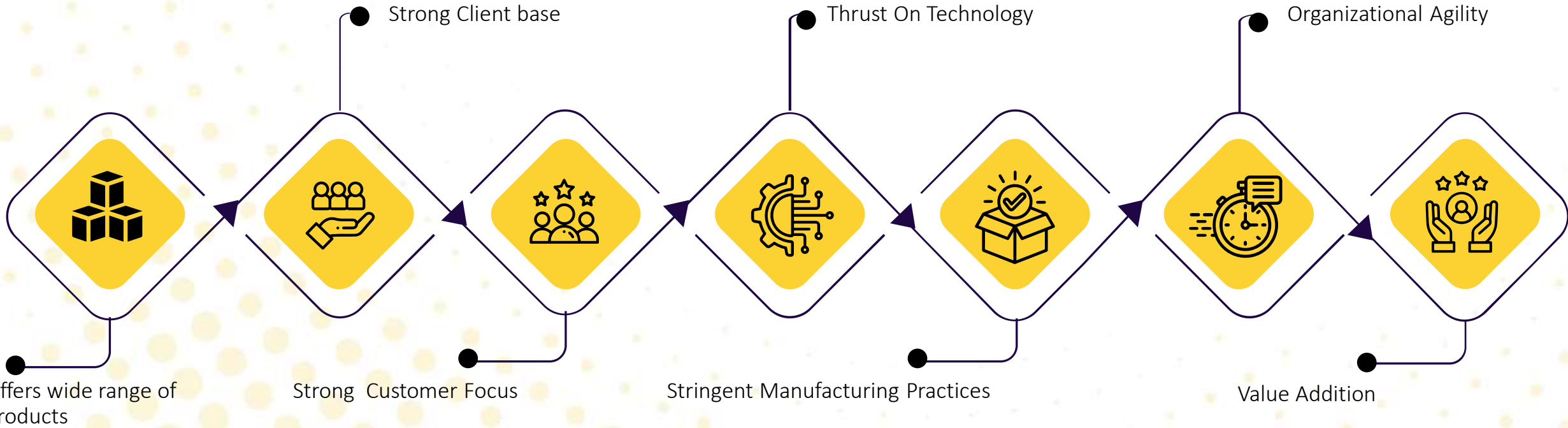
Strategic Overview



KEY STRENGTHS



India Nippon Electricals Ltd



Capitalizing on Core Business

Focused on exploiting the opportunities presented within core business by introducing new products for two & three-wheelers.

Entering into a New Technical Partnerships

Recently entered into a Technical Licensing partnership with Borg Warner, a globally leading automotive supplier, for the Control unit for Electronic Fuel Injection (EFI ECU) which will enable to enter a new product segment of the EFI system and serve customers for two and three-wheeler applications.

Growing EV Portfolio

Cognizant of the emerging reality, new R&D Centre and the talent engaged at the facility will particularly prove beneficial in the development of differentiated products and new technologies for EVs.

Advancing Aftermarket Business

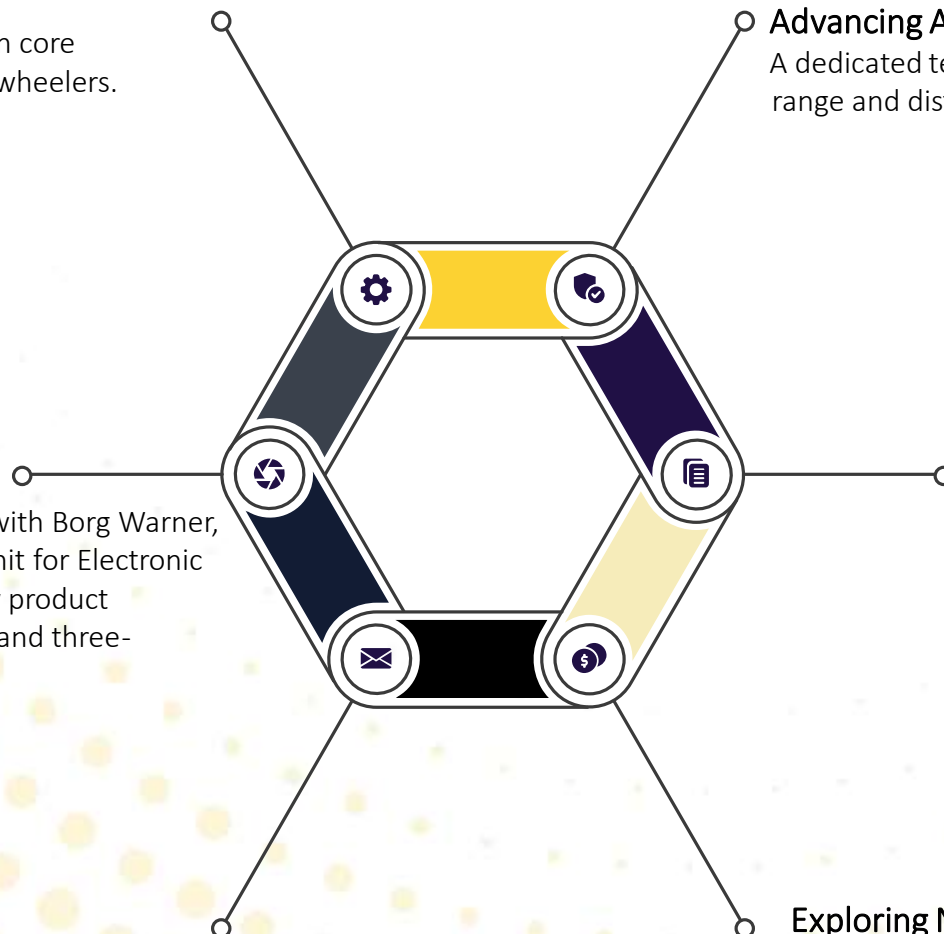
A dedicated team and several measures are taken to strengthen product range and distribution network to extract maximum value for business.

Expanding to New Geographies

Focused on expanding presence to new geographical locations and penetrating deeper into existing markets.

Exploring New Business Lines

Exploring new product applications for existing products using focused teams to identify potential applications for electronic solutions.



Financial Overview





Q1-FY25 Consolidated Financial Performance

INR 1,866 Mn

Revenue from
Operations

INR 171 Mn

EBITDA

9.19%

EBITDA Margin

INR 181 Mn

Net Profit

9.72%

PAT Margin

INR 8.02 /share

Basic/Diluted EPS



- Sales has increased by approximately 17% y-o-y
- Awarded new business by a Japanese two-wheeler maker
- New technology product pilot lot planned in Q2 FY25
- Developed in-house winding machine in India with 8 axis inducted into mass production
- The recently announced financial budget has positively impacted the 2W sales market
- Recession fears in US may lead to reduction in overseas demand and exports
- After-market demand to see improvement following the arrival of advanced monsoon rains

QUARTERLY CONSOLIDATED INCOME STATEMENT



India Nippon Electricals Ltd

Particulars (INR in Mn)	Q1-FY25	Q1-FY24	Y-o-Y	Q4-FY24	Q-o-Q
Revenue from Operations	1,866	1,598	16.7%	1,957	(4.7)%
Operating Expenses	1,694	1,495	13.3%	1,741	(2.7)%
EBITDA	171	103	66.2%	216	(20.6)%
<i>EBITDA Margins (%)</i>	<i>9.19%</i>	<i>6.45%</i>	<i>274 Bps</i>	<i>11.04%</i>	<i>(185) Bps</i>
Depreciation	38	38	0.5%	38	(0.3)%
Finance Cost	1	1	40.0%	1	40.0%
Other Income	102	53	92.8%	83	22.4%
PBT	234	117	99.6%	260	(10.1)%
Taxes	53	24	NA	56	(6.6)%
PAT	181	93	95.1%	204	(11.1)%
<i>PAT Margins (%)</i>	<i>9.72%</i>	<i>5.82%</i>	<i>390 Bps</i>	<i>10.42%</i>	<i>(70) Bps</i>
Other Comprehensive Income	(3)	(0)	NA	51	NA
Total Comprehensive Income	178	93	92.2%	255	(30.2)%
Diluted EPS (INR)	8.02	4.09	96.1%	9.03	(11.2)%

CONSOLIDATED INCOME STATEMENT



India Nippon Electricals Ltd

Particulars (INR in Mn)	FY21	FY22	FY23	FY24	Q1-FY25
Revenue from Operations	4,812	5,663	6,563	7,241	1,866
Operating Expenses	4,349	5,166	6,035	6,577	1,694
EBITDA	463	497	528	664	171
<i>EBITDA Margins (%)</i>	<i>9.63%</i>	<i>8.78%</i>	<i>8.05%</i>	<i>9.17%</i>	<i>9.19%</i>
Depreciation	103	129	146	151	38
Finance Cost	6	5	4	4	1
Other Income	152	252	226	249	102
PBT	506	615	604	758	234
Taxes	110	112	122	165	53
PAT	396	503	482	593	181
<i>PAT Margins (%)</i>	<i>8.23%</i>	<i>8.88%</i>	<i>7.34%</i>	<i>8.19%</i>	<i>9.72%</i>
Other Comprehensive Income	39	172	298	260	(3)
Total Comprehensive Income	435	675	780	853	178
Diluted EPS (INR)	17.52	22.21	21.32	26.21	8.02

CONSOLIDATED BALANCE SHEET



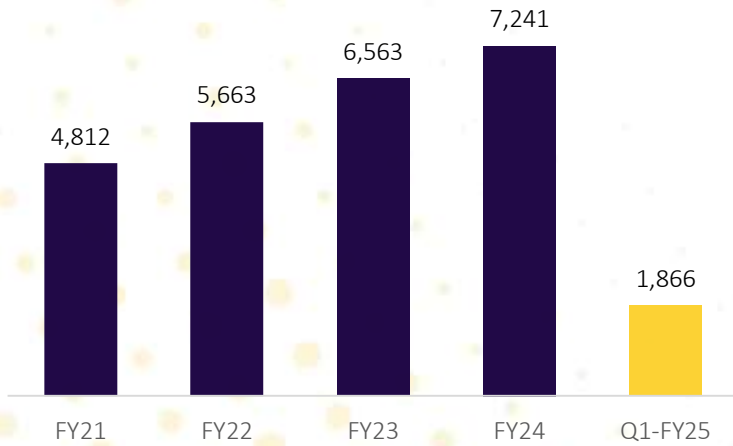
India Nippon Electricals Ltd

Particulars (INR Mn)	FY22	FY23	FY24
EQUITY AND LIABILITIES			
Equity Share Capital	113	113	113
Other Equity	4,939	5,490	6,120
Shareholders Fund	5,052	5,603	6,233
Non-Current Liabilities			
Lease Liabilities	33	29	21
Deferred tax liabilities (net)	215	299	377
Provisions	26	32	36
Total Non-current Liabilities	274	360	434
Current Liabilities			
Lease Liabilities	6	7	8
Trade payables	901	955	1,382
Other financial liabilities	28	27	36
Provisions	9	9	20
Current tax liabilities (Net)	-	-	-
Other current liabilities	142	217	257
Total Current Liabilities	1,085	1,215	1,703
Total Equity and Liabilities	6,411	7,178	8,370

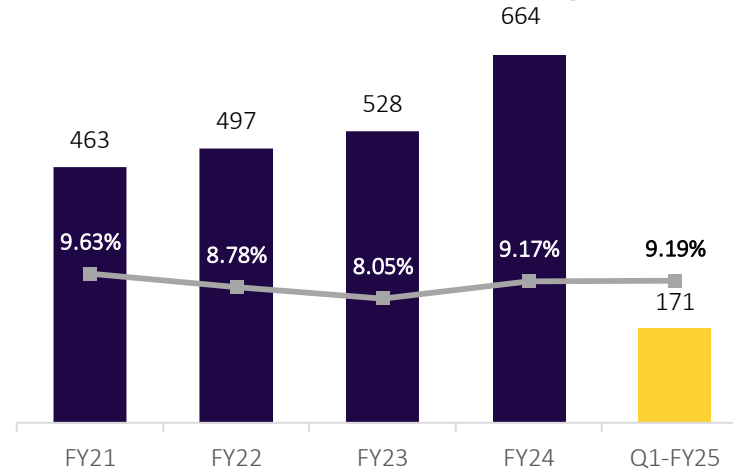
Particulars (INR Mn)	FY22	FY23	FY24
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	1,163	1,211	1,312
Right-of-use Assets	122	118	109
Intangible Assets	17	16	14
Capital WIP	51	128	127
Investment Property	-	-	-
Investments	1,456	2,027	2,508
Loans	11	12	11
Other Financial Assets	45	8	10
Other Non-current Assets	10	1	-
Total non-current assets	2,875	3,521	4,091
Current Assets			
Inventories	496	561	692
Investments	1,327	1,523	1,811
Trade Receivables	1,180	1,195	1,417
Cash & Bank Balances	366	228	189
Other Financial Assets	11	13	6
Other Current Assets	90	77	111
Current Tax Assets	66	60	53
Total Current Assets	3,536	3,657	4,279
Total Assets	6,411	7,178	8,370



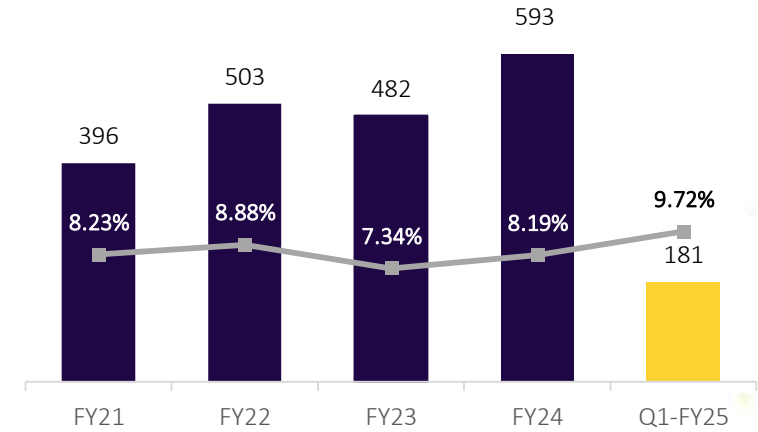
Revenue (INR Mn)



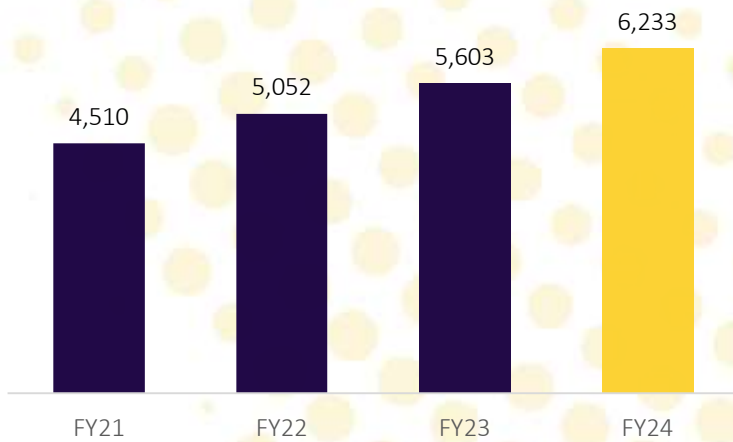
EBITDA (INR Mn) & EBITDA Margin (%)



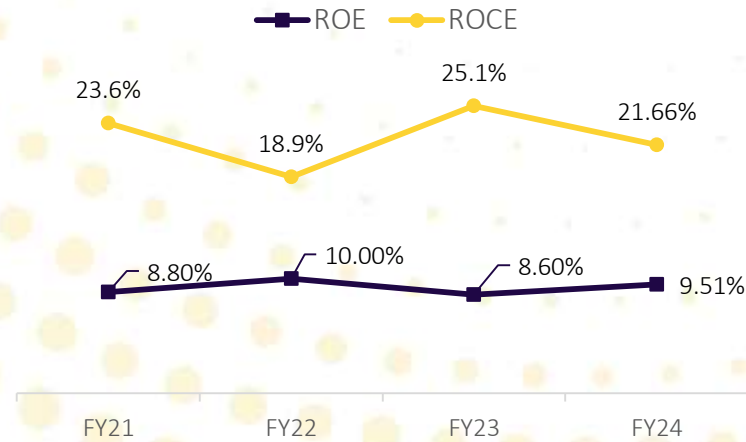
PAT (INR Mn) & PAT Margin (%)



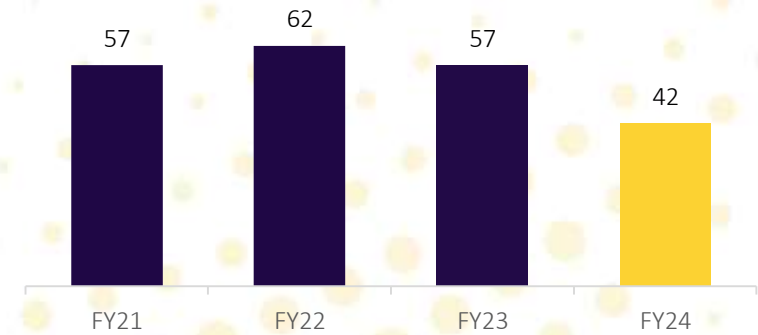
Net Worth (INR Mn)



ROCE & ROE (%)



Working Capital Days

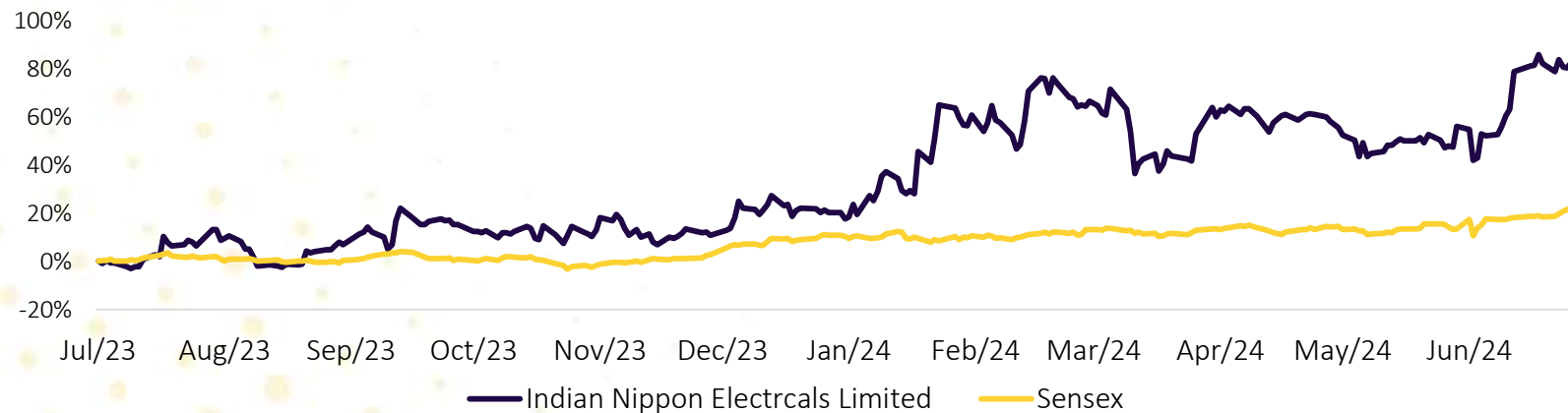


CAPITAL MARKET DATA

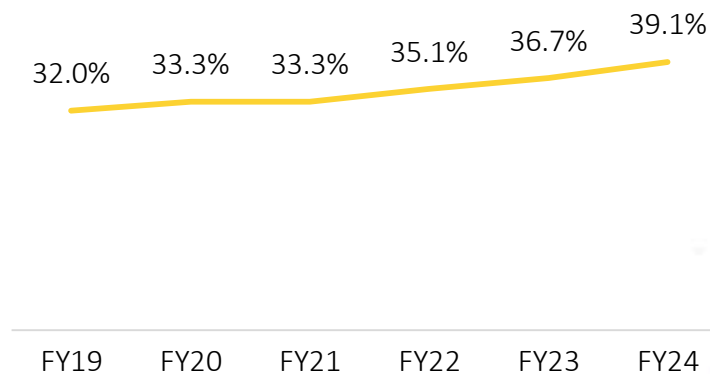


India Nippon Electricals Ltd

1 Year Stock Performance (up to 30th June, 2024)



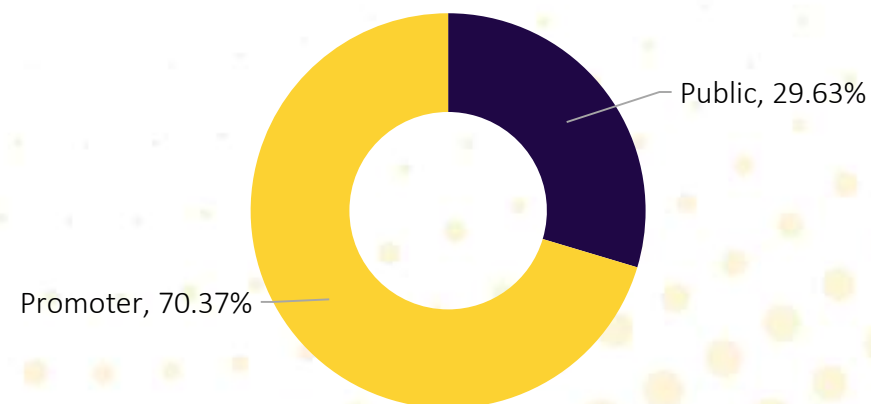
Dividend Payout (%)



Market Data (As on 30th June, 2024)

Particulars	
Face Value (INR per share)	5.00
CMP (INR per share)	810.95
52 Week H/L (INR per share)	848.70 / 426.05
Market Capitalization (INR Mn)	18,344.84
Shares O/S (Mn)	22.62
Average Volume ('000)	58.62

Shareholding Pattern (As on 30th June, 2024)



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Thank You

