



## TVS Electronics Limited

### COMPANY BACKGROUND.....

- TVS Electronics (TVS-E) Limited was incorporated in 1987, under the leadership of Mr. Gopal Srinivasan. It is headquarters out of Chennai and has 1 state-of-the-art manufacturing plant, located at Tumkur, Karnataka.
- The company has emerged as one of the frontrunners in the IT peripherals, point-of-sale solutions, and comprehensive warranty management services.
- The company act as a one-stop shop and customer-centric solutions company, offering a diversified portfolio segmented into two categories – products and solutions with more than 20 products and customer support services.
- In addition to legacy products, where TVS-E continue to be market leader, the company also added a range of services covering the entire spectrum of product life-cycle management.
- The company caters to vast customer segments including, Retail, BFSI, Warehousing, Shipping & Logistics, Transport, Railways, small offices, and homes.

### BUSINESS MIX (As on 9M-FY24) .....

- **Product & Solutions Group (PSG) – 72%:** The Company designs, manufactures, assembles, markets, sells and services various products such as different types of Printers, Keyboards, Barcode Scanners, Touch POS System, CCTV Cameras, Cash Counting Machine and many more.
- **Customer Support Service (CSS) – 28%:** The Company provides customer support service catering to both OEMs and end customer services. These services include break fix, repair engineering, installation, demo, protection plans, IT infra management, remote tech support, call centre services, and e-waste management, among others.

### KEY STRENGTHS.....

- 30+ years of experience in manufacturing, assembling, repair & services with being market leaders for many of product offerings.
- Strong B2B presence across various sectors, partnership with global brands.
- One Stop solution for retail customers with Made in India Products.
- In-house developed AI/ML-enabled platform for service delivery.
- Proven capability that seamlessly links the entire value-chain of the entire product life-cycle management.
- Distribution network with last mile connectivity across 90% of Indian territory, and service network capability covering 95% of pin codes.

### FINANCIAL HIGHLIGHTS (Consolidated).....

(INR Mn)	Op. Income	EBITDA	EBITDA%	PAT	PAT%	EPS
FY21	2,246	86	3.83%	8	0.36%	0.41
FY22	3,079	264	8.57%	151	4.90%	8.10
FY23	3,535	198	5.60%	95	2.69%	5.11
9M-FY24	2,690	70	2.60%	(3)	(0.11)%	(0.15)

#### Key Data

<b>BSE Code</b>	532513
<b>NSE Code</b>	TVSELECT
<b>Reuters</b>	TVEL.NS
<b>Bloomberg</b>	TVSEL:IN

#### Market Data (INR) as on 31<sup>st</sup> December, 2023

<b>Face Value</b>	10.0
<b>CMP</b>	356.3
<b>52 Week H/L</b>	448.0/280.0
<b>MCAP (Mn)</b>	6,645.1
<b>Shares O/S (Mn)</b>	18.7
<b>1 Yr Avg. Vol. ('000)</b>	368.8

#### Performance as on 31<sup>st</sup> December, 2023

	3M	6M	12M
<b>TVS-E</b>	2.1%	(12.8)%	24.0%
<b>SENSEX</b>	9.8%	11.4%	18.7%
<b>BSE SMALL CAP</b>	13.2%	30.5%	47.3%

#### Shareholding Pattern as on 31<sup>st</sup> December, 2023

<b>Promoters</b>	59.91%
<b>Public</b>	40.08%
<b>FII, FPI, DII, etc.</b>	0.01%

## BUSINESS SEGMENTS

### Product & Solutions Group (PSG)

The Company primarily provides four product categories, as follows:

- **PTx – Point of Transaction products** used for transactions at retail counters, such as Wired and Wireless Keyboards & Mouse, Dot Matrix Printers, Thermal Receipt Printers, Touch POS system & Cash Drawers, Passbook Printers, Currency counters, CCTV Cameras & Recorders, Web Cameras, etc.
- **T&T –Track and Trace products** used in warehousing, shipping & logistics, other sectors, such as Bar Code Scanners, Rugged Handheld Terminals, Label Printers.

TVS-E is pioneer in Dot Matrix Printers and Keyboards, also Market Leader in Thermal Printers and 3<sup>rd</sup> largest player in Barcode Scanners & Label Printers.

### Customer Support Services (CSS)

The Company primarily provides five service categories, as follows:

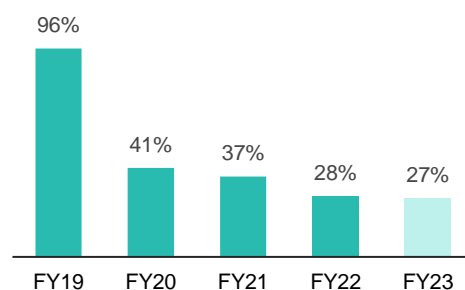
- **Field Support Services (FSS)**- The Company provides brand warranty services on behalf of respective brands across categories ranging from IT and audio lifestyle to consumer electronics, home appliances, etc. The Company offers a range of services from installation to break fix.
- **IT Infrastructure Managed Services (IT-IMS)**- TVS-E provides maintenance and upkeep services for MSMEs and small companies for the contractual period for products such as laptops, network devices. Also started application management and remote management services under this category.
- **Repair Manufacturing Services (RMS)**- The Company provides repair services for products such as PCBs and panels of TVs, in addition to refurbishment services.
- **E-auction** - TVS-E focusses on scrap material lying in the hands of customers and through these services, the company helps in connecting buyers and sellers for buying and selling of scraps or other materials.

In order to fortify its position in this space, the Company tied up with 3 software companies and made investments in 2 software companies to provide SaaS such as Billing Software, Analytics, Payment Solutions and Surveillance solutions.

### KEY GROWTH DRIVERS

- Hardware coupled with solutions and analytics.
- Leveraging our rich B2B experience to be a D2C player.
- Offering depth and expertise in Product portfolio.
- Expanding presence and global aspirations.
- Part of the 'Make in India' initiative.
- Expanding our offerings to parts and logistics business.
- Focus on digitalization.

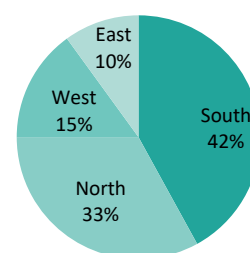
### Top 10 Customer Concentration\*



\*Note: Online Distribution Business segment with high volume low margin was terminated during FY19, resulted in customer diversification.

PAN India Network	(No.)
Branch Offices	6
Warehouses	13
Drop Points	57
Walk-in-centres	345
Service Partners	600+
Sales Partners	140+
Call centre seats	200

### Geographical Sales As on FY23



## PEER COMPARISON (TRAILING 12 MONTHS) INR MN .....

Company	Operational Income	EBITDA	EBITDA%	Net Profit	PAT%	M Cap
TVS Electronics	3,542	102	2.87%	13	0.35%	6,645
Control Print	3,471	839	24.17%	580	16.71%	16,013
WEP Solutions	696	137	19.65%	63	8.99%	1,182
D-LINK	12,132	1,132	9.33%	877	7.23%	11,493

## INCOME STATEMENT

Income Statement (Mn)	FY21	FY22	FY23	9M-FY24
<b>Operational Income</b>	<b>2,246</b>	<b>3,079</b>	<b>3,535</b>	<b>2,690</b>
Total Expenses	2,160	2,815	3,337	2,620
<b>EBITDA</b>	<b>86</b>	<b>264</b>	<b>198</b>	<b>70</b>
<b>EBITDA Margin (%)</b>	<b>3.83%</b>	<b>8.57%</b>	<b>5.60%</b>	<b>2.60%</b>
Other Income	21	12	15	15
Depreciation	78	63	71	78
Interest	19	10	14	13
Exceptional Item	0	5	0	0
<b>PBT</b>	<b>10</b>	<b>208</b>	<b>128</b>	<b>(6)</b>
Tax	2	57	33	(3)
<b>Profit After Tax</b>	<b>8</b>	<b>151</b>	<b>95</b>	<b>(3)</b>
<b>PAT Margin (%)</b>	<b>0.36%</b>	<b>4.90%</b>	<b>2.69%</b>	<b>(0.11)%</b>
<b>Other Comprehensive Income</b>	<b>4</b>	<b>(5)</b>	<b>(3)</b>	<b>4</b>
<b>Total Comprehensive Income</b>	<b>12</b>	<b>146</b>	<b>92</b>	<b>1</b>
EPS (After Exceptional Items)	0.41	8.10	5.11	(0.15)

## BALANCE SHEET

Liabilities (INR Mn)	FY22	FY23	H1-FY24	Assets (INR Mn)	FY22	FY23	H1-FY24
<b>Equity and Liabilities</b>				<b>Assets</b>			
<b>Shareholders' Fund</b>	<b>926</b>	<b>1,018</b>	<b>999</b>	<b>Non-Current Assets</b>	<b>558</b>	<b>669</b>	<b>489</b>
Share Capital	186	186	186	Property, plant & equipment	75	166	214
Other Equity	740	832	813	Right to use assets	51	44	42
				Capital Work-in-progress	2	18	11
<b>Non Current Liabilities</b>	<b>45</b>	<b>103</b>	<b>104</b>	Intangible Assets	136	132	151
Financial liabilities				Intangible assets under development	12	13	2
(i) Borrowings	0	62	75	Financial assets			
(ii) Lease Liabilities	27	28	14	(i) Investments	10	11	13
Provisions	16	11	13	(ii) Other financial assets	1	6	14
Other non-current liabilities	2	2	2	Deferred tax assets (Net)	10	12	11
Deferred tax liabilities (Net)	0	0	0	Non Current tax assets (Net)	3	9	23
				Other non-current assets	258	258	8
<b>Current Liabilities</b>	<b>1,055</b>	<b>1,091</b>	<b>1,026</b>	<b>Current Assets</b>	<b>1,468</b>	<b>1,543</b>	<b>1,640</b>
Financial liabilities				Inventories	469	619	520
(i) Borrowings	37	33	38	Financial assets			
(ii) Lease Liabilities	24	14	25	(i) Investments	336	113	241
(iii) Trade Payables	679	682	626	(ii) Trade Receivable	352	465	552
(iv) Other Financial liabilities	152	148	153	(iii) Cash and cash equivalents	104	91	32
Provisions	84	78	86	(iv) Other bank balances	6	23	23
Current Tax Liabilities (net)	13	0	0	(v) Other financial assets	106	96	122
Other Current liabilities	66	136	98	Other current assets	95	136	150
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,026</b>	<b>2,212</b>	<b>2,129</b>	<b>TOTAL ASSETS</b>	<b>2,026</b>	<b>2,212</b>	<b>2,129</b>

## INVESTOR RELATIONS TEAM AT VALOREM ADVISORS .....

Name	Designation	Email	Phone
Anuj Sonpal	CEO	anuj@valoremadvisors.com	+91-22-4903-9500
Krupesh Shah	Associate	krupesh@valoremadvisors.com	+91-22-4903-9500

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