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TVS-E /SE/UR/2017-18

November 11, 2017

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

Scrip Code - 532513

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1 G Block
Bandra - Kurla Complex, Bandra - (E)
Mumbai - 400 051

Scrip Code - TVSELECT

Dear Sirs,

Sub: Press Release

Please find enclosed press release proposed to be issued by the Company. Kindly take the same on record.

Thanking you,

Yours truly,
For TVS Electronics Limited

R S Raghavan
Director

TVS Electronics Limited

South Phase 7A, Second Floor, Industrial Estates, Guindy, Chennai-600 032. Tel.: + 91-44-4200 5200 Fax : +91(44)2225 7577

Registered Office: Jayalakshmi Estate, New No.29, (Old No.8), Haddows Road, Chennai- 600 006.

Corporate Identity Number : L30007TN1995PLC032941

E-mail id : webmaster@tvs-e.in Website: www.tvs-e.in

TVS Electronics Limited

Regd. Office: 'Jayalakshmi Estates', No.29, Haddows Road, Chennai - 600 006

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PRESS RELEASE - November 10, 2017

TVS-E's Q2 revenue up 41%; PAT grown from Rs 2 Cr to Rs 5.9 Cr

Chennai, November 10, 2017: TVS Electronics Limited (TVS-E) an IT Products & Tech Services company announced its financial results for the quarter and half year ended September 30, 2017.

Highlights:

Particulars	Q2 FY2018 (Rs Crore)	Growth (%) (Y-o-Y)	H1 FY2018 (Rs Crore)	Growth (%) (Y-o-Y)
Revenues *	976	41%	1,861	132%
EBITDA	9.8	96%	14.9	164%
PAT	5.9	189%	8.3	

* Revenue net of GST

Net revenue

Breaking the topline down into key business segments, the Company's IT Products & Tech Services registered an 8.1 per cent year-on-year growth in revenues to Rs 80.9 crore (net of GST) in the July-September 2017 quarter compared to Rs 74.8 crore in the same period last year. For the half year ended 30 September 2017 this segment has grown by 9.8% from Rs 141.4 crore to Rs 155.2 crore.

Distribution services posted a growth of 45% for the quarter (from Rs 618.3 Cr to Rs 894.9 Cr) and 159% (from Rs 659.6 Cr to Rs 1705.5 Cr) for the half year ended 30 September 2017.

EBITDA

The Company's EBITDA has grown from Rs 5.0 Cr to Rs 9.8 Cr (96% growth over corresponding quarter last year) for the reported quarter and from Rs 5.7 Cr to Rs 14.9 Cr (164% growth over corresponding quarter last year)

Profit after tax

The Company registered a PAT of Rs 5.9 Cr, up from Rs 2.1 Cr (189% growth) for the reported quarter and Rs 8.3 Cr, up from the loss of Rs 0.02 Cr during the corresponding half year of last year.

Earnings per share

EPS for Q2 is at Rs 3.18 as against last year Q2 EPS of Rs 1.10. EPS for the half year ended 30 September 2017 was Rs 4.47 up from Rs (0.01) for corresponding period of last year.

Commentary on performance:

The revenue diversification efforts - adding POS devices, thermal and label printers etc to the product menu and offering technical services - have paid off as the market for dot-matrix printers has contracted in recent years. The Company saw both revenue and PAT growth regain momentum in Q2 as a majority of its customers restocked and resumed business-as-usual after the GST rollout on July 1.

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Elaborating on the numbers and on the Outlook, Mr Prakash Katama, CEO of TVS electronics said -

“With the rollout of GST and Digital India initiatives, the offtake of the Company’s POS products, thermal printers, label printers, scanners and POS systems has seen above-trend growth. The Company’s first-to-the-market approach of delivering products within a few days of the GST rollout added with the efficiencies realised in the provisioning of technical services due to higher demand for mobile phones and other non-handheld appliances have resulted in the growth of revenue and EBITDA. The technical services business also offers steady revenue streams on the back of good demand for the Company’s brand-agnostic mobile service offering and servicing tie-ups for white goods. The Company is significantly expanding its points of presence to cater to this demand.

The Distribution business segment, which commenced its operations in FY16 has registered results exceeding the expectation. This increase is attributed to the successful promotional sales done in partnership with the OEM mobile brand. This is inherently a high-volume, low-margin business that registers lumpy revenues/profits from quarter to quarter.

The improved performance and the resultant internal accrual during the last 2 quarters helped us to strengthen our Balance Sheet further.

We continue to believe that GST will prompt many small retailers and unorganized players to switch from manual book-keeping and billing methods to electronic systems, creating tailwinds for this segment. We are proactive in our efforts to identify the product gaps in our portfolio, to capitalize on the opportunity riding on the tailwinds of the POS and digital initiatives.”

About TVS Electronics: TVS-E is a part of the TVS Group, India’s foremost and well recognised self-owned Business group. headquartered in Chennai, India (BSE:532513, NSE:TVSELECT), TVSE was founded in 1986 as an IT Peripherals manufacturer and has today transformed into a leading Transaction Automation IT Product manufacturer & service provider. Progressing over the years, TVS-E has understood the need and the pulse of the market for widely-reputed and accessible service that is top-notch. Keeping this in mind, it sought to revolutionise the services industry and make it more customer-friendly. TVS-E’s various delivery models like exclusive service centers, multi brand service centers, Onsite support, repair centers and factories, provide a complete service suite establishing itself as an end to end service provider delighting the brands and customers.

Disclaimer: Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. TVS Electronics Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.
