Panache Digilife Limited

Q1 FY19 Result Update Presentation
August 2018

Making Human Life Easy®

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Company Overview

Leading ICT & IoT Solution Design & Manufacturer

PANACHE

01

Currently focused on Smart Business solution space

- *Smart Computing Devices*
- *GPS Telematics Solutions*
- *Retail IOT*
- *Consumer Electronics Solutions-Television, Display & AV*

02

One stop ICT & IoT Solution Design & Manufacturing Hub

- *Diverse product basket*
- *Caters to domestic and international markets*
- *ISO 9001:2008 Certified company*

03

Global Partnerships

- *Intel Platinum Partner*
- *Named Partner for Microsoft*
- *Partnership with renowned global Fortune 500 Companies*

04

Awards & Recognitions

- *Intel IoT Group Partner Performance Award in 2017*
- *Edge Innovation award in 2014 by Information Week, UBM*
- *Best System Builder award in 2010, 2011, 2012 & 2013 by CRN*
- *Intel Embedded Hero award in 2012*
- *SME National Award for Excellence in IT*

Panache Digilife - Information, Communication & Technology & IoT devices manufacturing, distribution and services

...with strong Solution Design Capabilities

Click Here

Journey So Far

PANACHE

2007-11

- Entry in IT field
- Launch of Thin Clients
- Introduction of Micro Mini PC
- In-house LINUX & other OS customization
- UKAS Acc. ISO 9001:2008 since 2009
- NABCB Acc. ISO 9001:2008 since 2009

2011-13

- Launched Intel Atom based SFF PC with Win XP Embedded
- Launched Small Form Factor PC Solutions
- Rugged Tablet on Intel Architecture
- 15.6 and 21.5 All In One launched

2013-15

- Launch of Panache Air PC
- Launch of Telematics Solution
- BIS Certification for Panache Products
- Microsoft L-OEM Partner since 2014
- Panache IPC range of products launched

2015-16

- 15.6" All in One Point of Sale with Windows OS
- Launch of Nano Series of PC – Squair PC
- Ventured into setup for Television manufacturing
- Launch Panache Air PC – Smallest Pocket Computer
- Thin Clients with Windows 10 Embedded

2016-17

- Wholly Owned Subsidiary in Ajman Free Zone to expand trade presence in Middle East & Africa Markets

2017-18

- NSE Listing on SME Emerge Platform
- Enters into retail space
- Launch of consumer product range under the brand name of Panache & AIR
- Setting up new factory at Bhiwandi

Our Experienced Team

PANACHE

Amit Rambhia
Promoter Chairman & Managing Director

Nikit Rambhia
Promoter & Joint Managing Director

D L Rambhia
Whole Time Director

Nitesh Savla
Chief Financial Officer

Jinkle Khimsaria
Company Secretary & Compliance Officer

Dhruti Dedhia
Manager - Marcom

Neha Madiar
Manager - Projects

H Sriram Venkat
GM – Products & Innovations

Akash Sutane
GM – Sales (Infra)

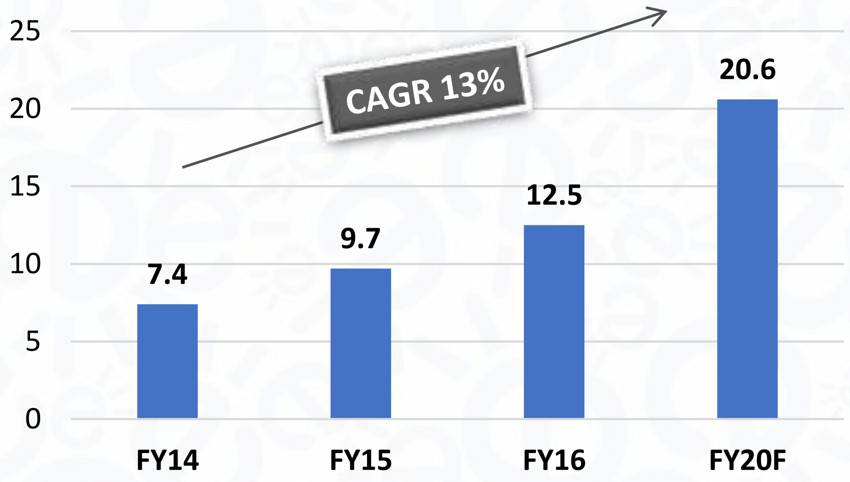
Puneet Swaroop
GM – Sales (Aquatatva)

Subhash Pawase
GM – Sales (Telematics)

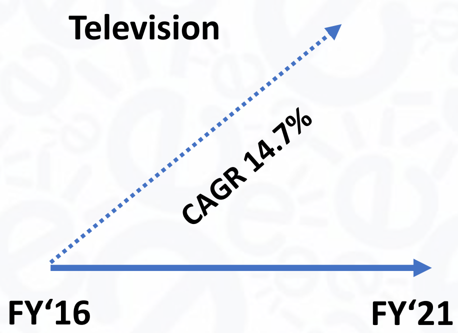
Industry Opportunity

Industry Opportunity

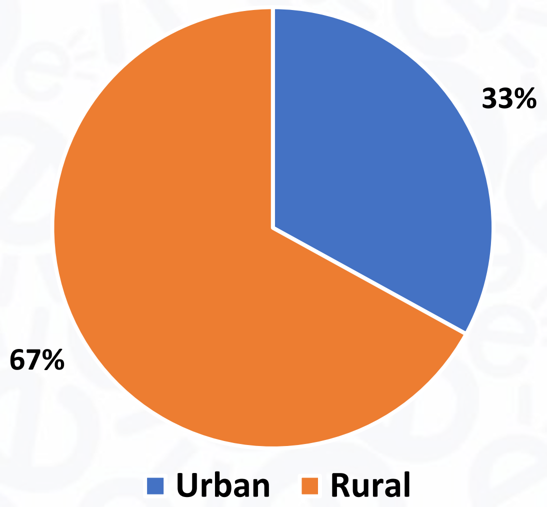
Consumer Durable Market Size (US $ Billion)



Key Products Growth

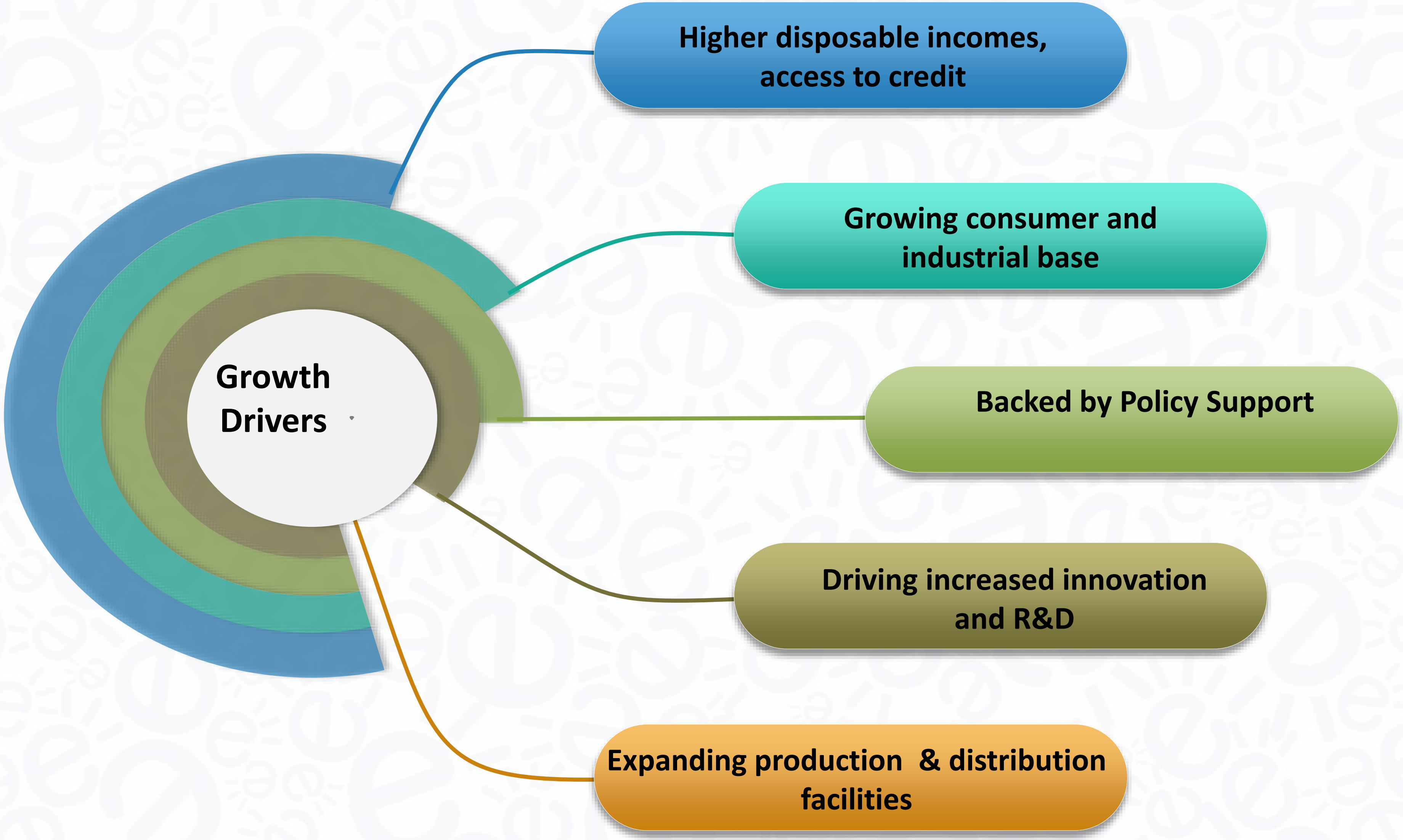


Share in Consumer Durable market in FY15



https://www.ibef.org.

Growth Opportunities Contd..



Source- E&Y Report, Researchandmarkets.com, IBEF, Industry Reports

Business Overview

Business Overview

PANACHE

Smart Computing Devices

- IoT enabled devices
- Panache Air PCs - World's Smallest Computing device which converts Television Screen to a personal computer

Consumer Retail

- Panache Display Division launched to leverage strength of the companies IT know how into the Consumer LED TV and Commercial Signage Display and AV solutions

Telematics

- IoT
- Analytics
- Offers viable alternative to existing GPS Vehicle Tracking and Taxi Management services

Retail IoT

- IoT enabled POS devices
- Value added products with additional features and advanced technology for business use

Smart Computing Devices

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Air PC

- Ultra slim, portable, power packed pocket-sized PC with Windows 10
- Plugs into any LCD/LED Monitor, Television or projector with an HDMI port

Specifications:

- Processor: Intel Z3735, RAM: 2GB, Storage: 32GB
- Built-in Wi-Fi, Bluetooth 4.0, OS: Windows 10

Squair PC

- Ultra slim, power packed and Dual Display portable device with Windows 10
- Connect into any LCD/LED Monitor, Television or projector with an HDMI port

Specifications:

- Processor: Intel Z8350, RAM: 2GB / 4GB, Storage: 32 / 64 /128 GB
- Built-in Wi-Fi, Bluetooth 4.0, OS: Windows 10

Mini PC

- Housed in smaller cases than typical desktop computers
- Excludes rack-mount cases, blade servers, and industrial computers
- Specifically for home use

Specifications:

- Processor: Intel Atom, Celeron, Dual Core, Core i3 / i5/ i7 Series
- RAM: 2/ 4/ 8 /16GB, Storage: 32-4TB/GB, OS: Windows 10

Cloud Computing Devices

- Housed in smaller cases than typical desktop computers
- Excludes rack-mount cases, blade servers, and industrial computers
- Specifically for home use

Specifications:

- Processor: Intel Atom, Celeron, Dual Core, Core i3 / i5/ i7 Series
- RAM: 2 - 16 GB, Storage: 32GB - 4TB, OS: Windows 10

*Images in the presentation are for representation purpose only. Actual product image may vary.

Smart Computing Devices

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Tablets

- Ultra slim, portable, power packed pocket-sized Tablet with Windows 10
- Capacitive Multi Touch

Specifications:

- Screen Size: 7” & Above
- Processor: Mediatek & Intel Z3735, RAM: 1GB, Storage: 8GB onwards
- 2.0 / 5.0 MP Camera
- Built-in Wi-Fi, Bluetooth 4.0
- OS: Android & Windows 10

Laptops

- Ultra slim, power packed device with Windows 10

Specifications:

- Screen Size: 12” & Above
- Processor: N3350 / N3450 / Z8350, RAM: 2GB / 4GB, Storage: 32 / 64 /128 GB
- 2.0 MP & Above Camera
- Built-in Wi-Fi, Bluetooth
- OS: Windows 10

All In One’s

- Slim, power packed device with Windows 10
- Capacitive Multi Touch

Specifications:

- Screen Size: 17.3”
- Processor: Intel Celeron N3450
- RAM: 2 - 16 GB, Storage: 32GB - 4TB, OS: Windows 10
- 2.0 MP Camera
- OS: Windows 10

*Images in the presentation are for representation purpose only. Actual product image may vary.

Consumer Retail – Displays & Televisions

Available in Sizes:

- 61 cm (24)
- 80 cm (31.5)
- 98 cm (38.5)
- 101 cm (40)
- 139 cm (55)

Features:

- HD ready to full HD
- X-Reality Picture Engine
- Slim Edge and Smart Energy Saving

LED TVs

Telematics

Services Offered:

- GPS Vehicle Tracking Services
- Taxi management
- STU PIS Services
- Emergency response
- Personnel Tracking
- Asset Tracking
- IoT and analytics dash boarding
- Desktop, Andriod & iOS Interface

UNMOLE

Tracking Device Mole

Retail IoT

Panache INDI POS Features:

- Integrated POS Terminals
- 39.6 cm Capacitive Touch & Non Touch
- Wide Range of Compute Options
- Complete Range Of POS Peripherals
- Fanless & Energy Saving Architecture
- Toughened Glass & Rugged Design

Specifications:

- Processor: Intel Atom, Celeron, Dual Core, Quad Core & Core i3 / i5 / i7 Series
- RAM: From 2GB up to 32GB
- Storage: 32GB SSD / 500 GB HDD / 1TB HDD
- OS: Windows 10

Indi POS – i720

VT300 Thermal Printer

Indi POS – i360

Indi POS – i540

State Of Art Manufacturing Facility

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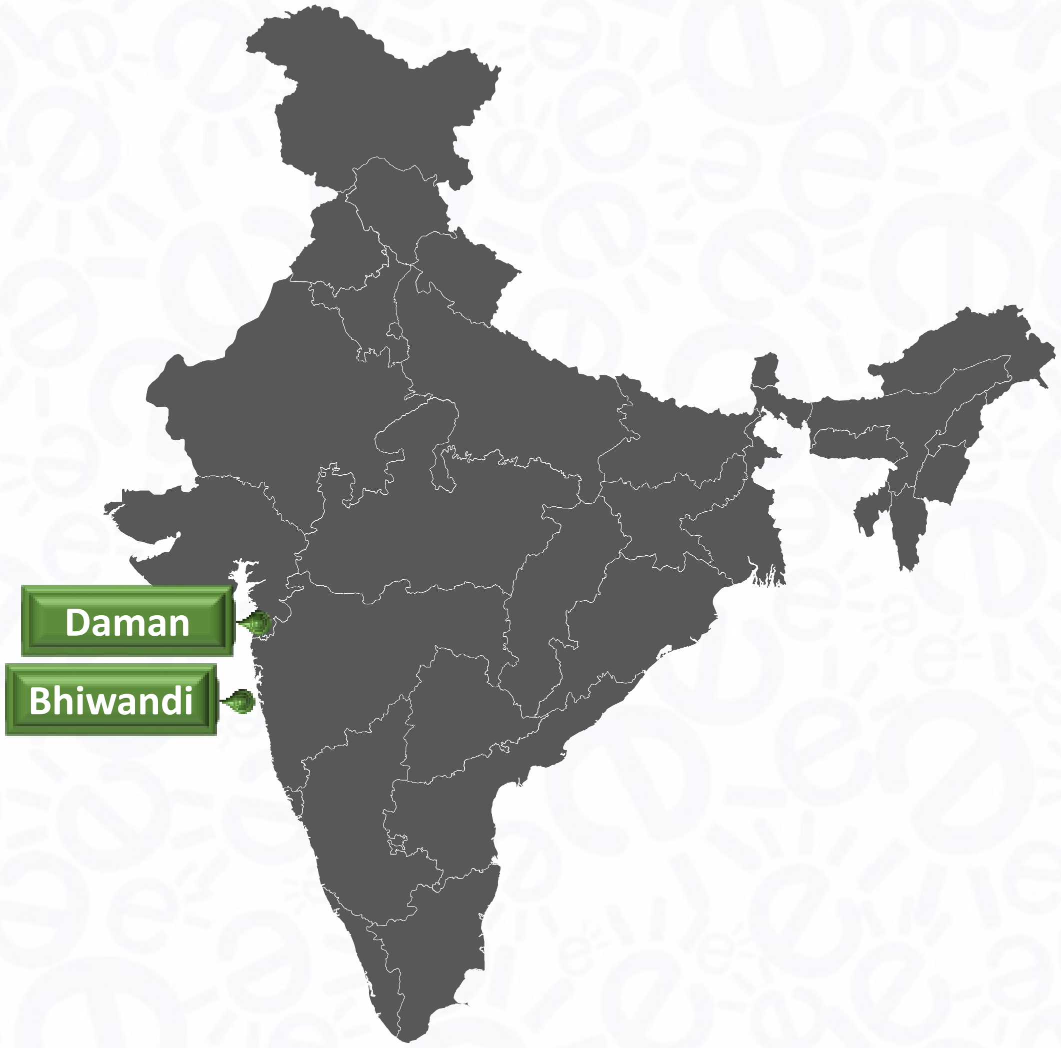
- Anti-static environment for assembly
- Proximity to Port
- Easy availability of low-cost, skilled labour
- Manufacturing facility at Bhiwandi – expected to commence operations by FY 18-19



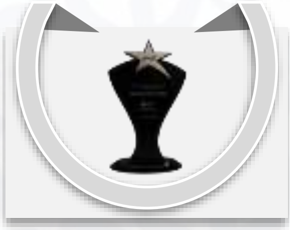
Awards & Recognition

Intel Awards

Intel Ace New Comer
2006 / 07

Intel Awards for Star Achievement

Intel Star Achiever
2007 / 08 Quad Core
King 2008



Intel Awards in Innovation Category

Intel Best Innovation 2008
Innovative Designs in DT
Category 2007

Intel Awards in Embedded Space

Innovative Design on Intel
Architecture 2011
Intel Embedded Systems
Conference

UBM CRN Excellence Awards

Best System Builder
2010 / 11 / 12 / 13

National SME Award

National SME Award –
2013

Intel Awards

Intel Embedded Hero
Award 2012

Edge Innovation Award

Edge Innovation Award
2014

IoT Group Partner Award

Intel IoT Group Partner
Performance Award
2017

Key Strategic Advantages

PANACHE

Strong Supply Chain

- Strategic sourcing of products through established suppliers
- Integrated core competencies to enable effective inventory and order management

Cost-effective Operations

- Training, better equipment with focus on improving productivity
- Strategic, bulk purchasing to reduce costs
- Strive for better , new designs so as to reduce labour costs during manufacture
- Ability to offer products at competitive prices

Strategic partnerships

- Intel Platinum Partner
- Microsoft Named Partner

Experienced Management team

- Qualified, experienced management team with customer-centric approach
- Over a decade's experience with developed suppliers and customer relationships

Wide geographic presence

- Partnerships with global renowned brands to enable quality product & service delivery at competitive prices

Quality products , Superior Service

- Ability to bring customer 's original ideas into series production
- Focus on quality, updated designs and products so as to maintain superior customer service standards

Financial Highlights

Consolidated P&L Highlights – Q1 FY19

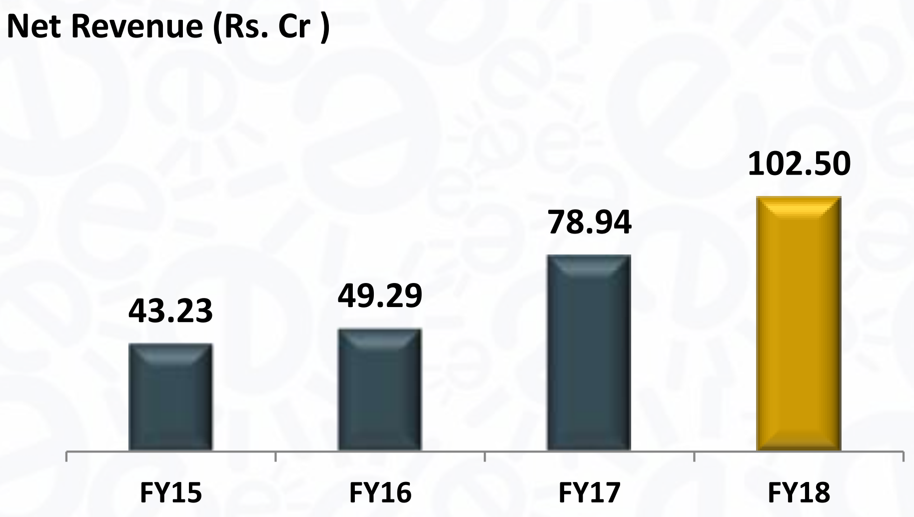
PANACHE

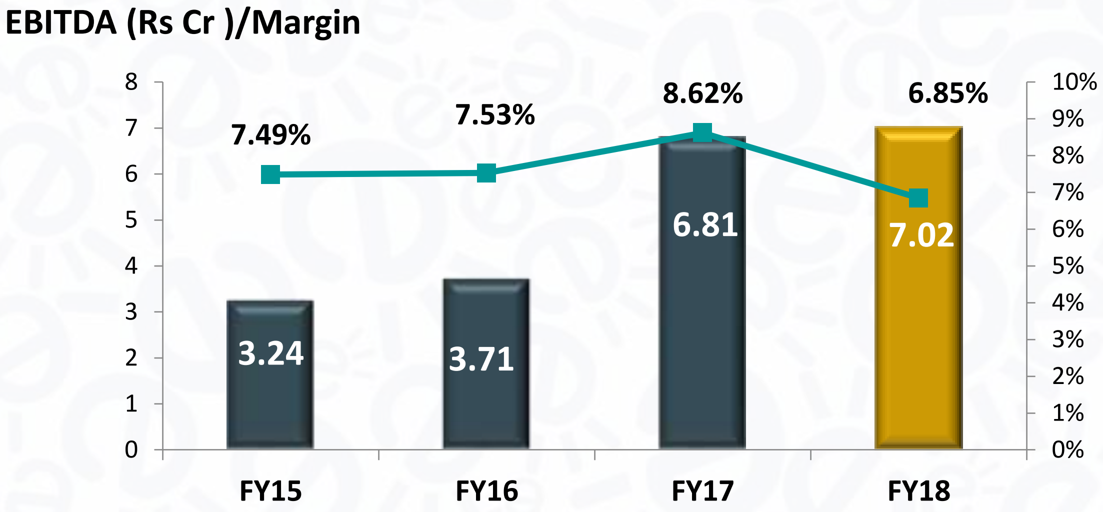
Rs. Cr	Q1 FY19*	Q1 FY18*
Revenue from Operation	11.07	12.48
Excise Duty	0.00	0.29
Total Income from Operations	**11.07**	**12.19**
Raw material	8.52	10.27
Employee Cost	1.07	0.82
Other Cost	0.87	0.61
Total Expenditure	10.47	11.71
EBITDA	**0.60**	**0.48**
EBITDA Margin%	**5.45%**	**3.98%**
Interest	0.36	0.28
Depreciation	0.04	0.04
Other Income	0.11	0.09
Exceptional Item	0.00	0.00
Profit Before Tax	0.31	0.26
Tax	0.08	0.00
PAT	**0.23**	**0.26**
PAT Margin%	**2.04%**	**2.15%**
EPS in Rs.	**0.38**	**0.44**

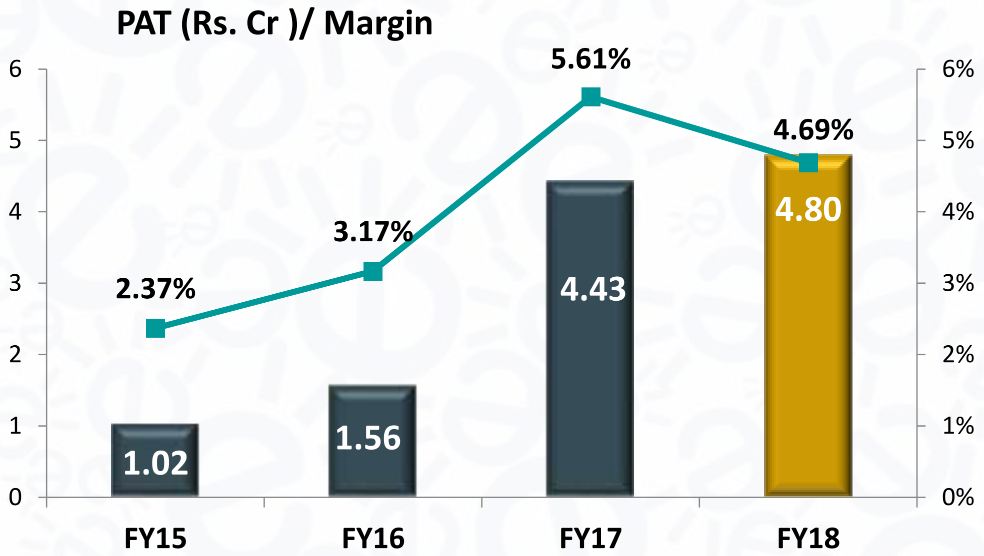
- Total Revenue from operations declined mainly on account of deferment of supply on requests of customers
- Witnessed significant YoY growth of 24% in EBITDA, due to sales of high margin products

**Numbers as per Indian Accounting Standards (Ind AS18)*

Annual Financial Highlights







Numbers have been Restated as per Indian Accounting Standards (Ind AS18)

Consolidated P&L Highlights

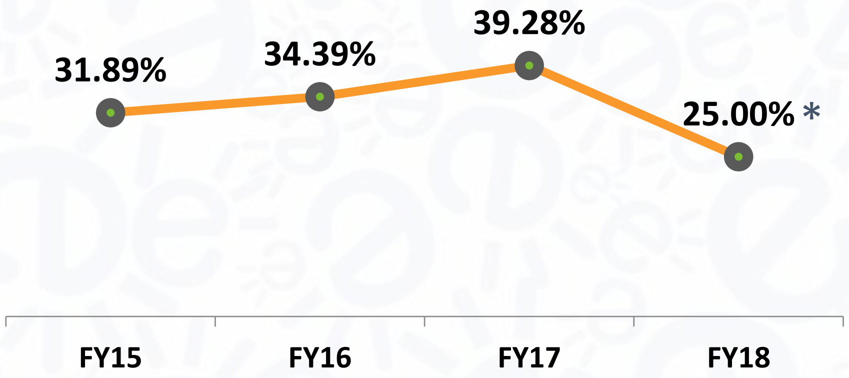
Rs. Cr	FY18*	FY17*	YoY %
Revenue from Operation	102.79	82.93	
Excise Duty	0.29	3.99	
Total Income from Operations	**102.50**	**78.94**	**29.84%**
Raw material	88.86	65.96	
Employee Cost	3.72	2.63	
Other Cost	2.90	3.54	
Total Expenditure	95.48	72.14	
EBITDA	**7.02**	**6.81**	**3.12%**
EBITDA Margin%	**6.85%**	**8.62%**	
Interest	1.23	1.86	
Depreciation	0.15	0.16	
Other Income	0.53	0.57	
Exceptional Item	(0.09)	(0.01)	
Profit Before Tax	6.08	5.35	
Tax	1.28	0.92	
PAT	**4.80**	**4.43**	**8.51%**
PAT Margin%	**4.69%**	**5.61%**	
EPS in Rs.	**8.14**	**10.53**	

** Results include performance of subsidiary Wemart Global, incorporated in November 2016*

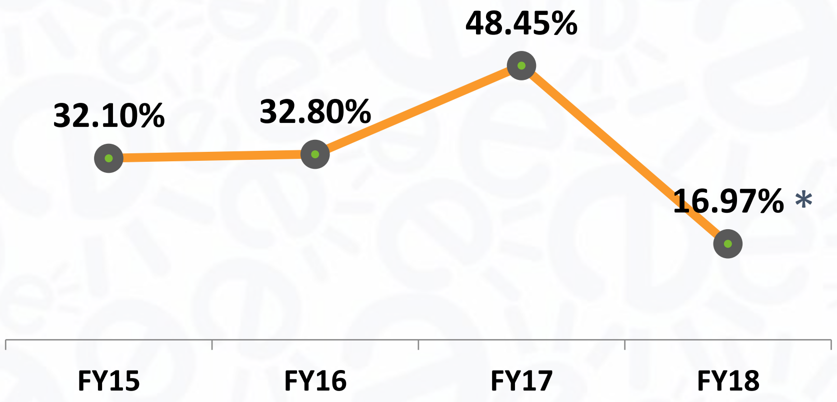
Numbers as per Indian Accounting Standards (Ind AS18)

Key Return Ratios

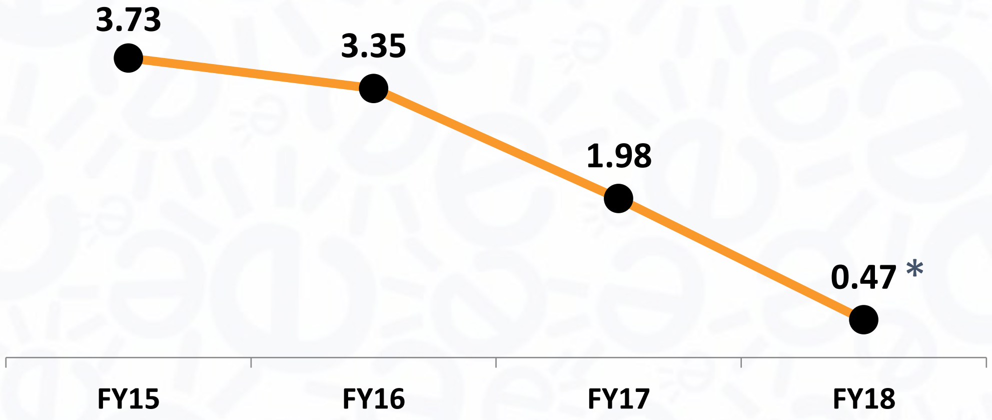
RoCE(%)



RoE (%)



Debt /Equity



** - Includes proceeds from IPO listing in FY18*

ROCE = EBIT/(Total Assets-Current Liabilities); ROE= Net Profit/ Net Worth, Debt to Equity = Total Debt/Equity

Numbers have been Restated as per Indian Accounting Standards (Ind AS18)

Consolidated Balance Sheet as on 31st March

PANACHE

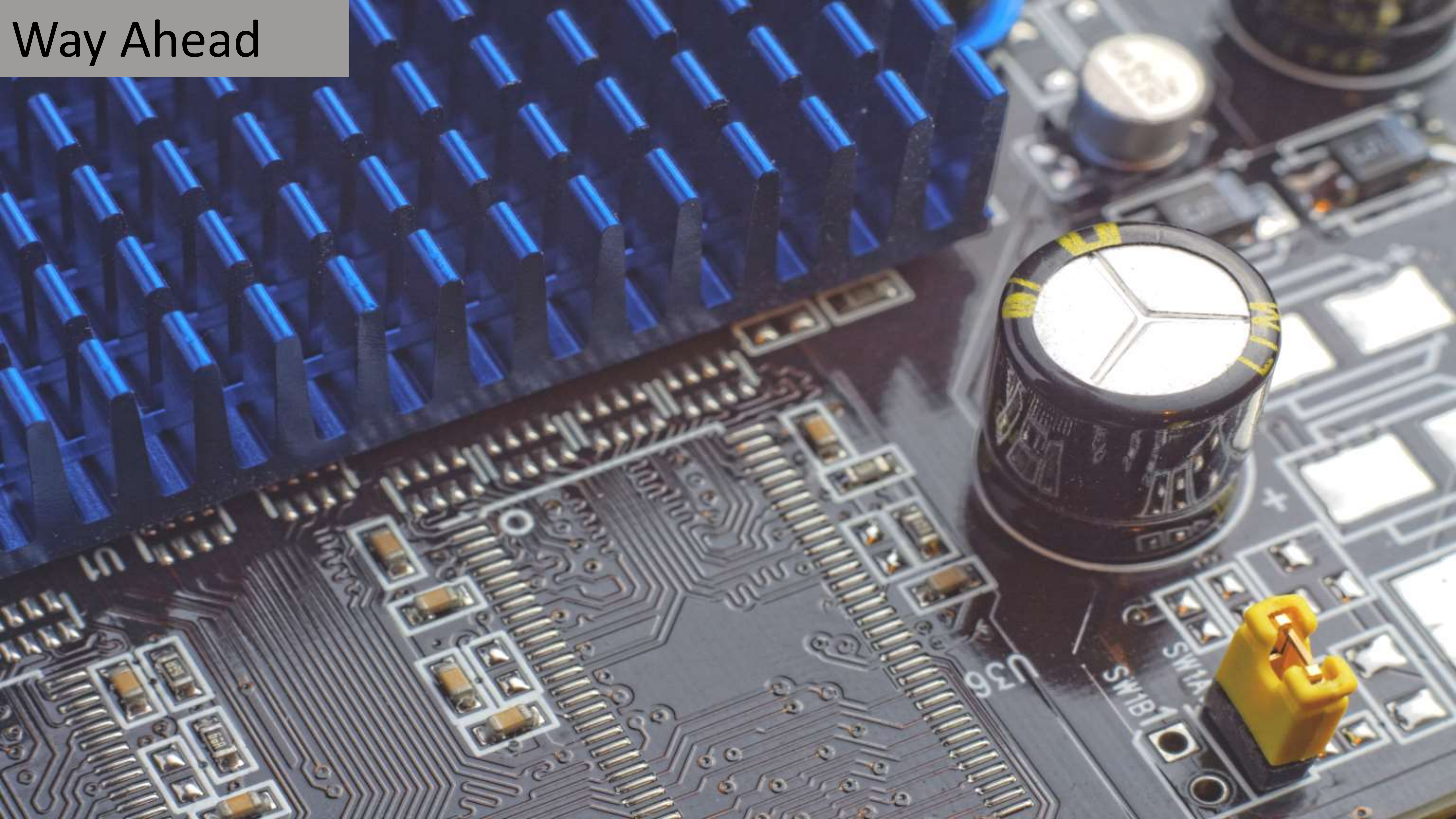
Rs. Cr	Mar-18*	Mar-17*
Equity	**28.31**	**9.14**
Equity Share Capital	6.00	4.20
Other Equity	22.31	4.94
Non-current liabilities	**1.27**	**9.17**
Financial Liabilities		
(a)Borrowing	0.58	8.75
(b) Other Financial liabilities	0.00	0.00
Provisions	0.34	0.00
Deferred Tax Liabilities (Net)	0.20	0.28
Other Current Liabilities	0.15	0.14
Current liabilities	**61.00**	**45.24**
Financial Liabilities		
(a)Borrowings	12.68	9.36
(b) Trade Payables	45.84	33.02
(c) Other Financial Liabilities	0.00	0.00
Provisions	0.29	0.15
Other Current Liabilities	0.91	1.79
Current Tax Liabilities (Net)	1.28	0.92
Total Equities & Liabilities	**90.59**	**63.56**

Rs. Cr	Mar-18*	Mar-17*
Non-current assets	**4.31**	**3.62**
Property, Plant and Equipment	0.70	0.63
Other Intangible Assets	0.03	0.02
Capital Work in Progress	0.01	0.00
Investment Property	2.57	2.61
Financial Assets	0.00	0.00
Loans	0.10	0.00
Other Financial Assets	0.39	0.23
Other non-current Assets	0.51	0.13
Current assets	**86.28**	**59.93**
Inventories	30.22	15.05
Financial Assets	0.00	0.00
Investments	0.00	0.00
Trade Receivables	48.58	43.09
Cash & Cash Equivalent	1.41	0.96
Bank Balance other than above	0.91	0.15
Other Current Assets	5.17	0.68
Total Assets	**90.59**	**63.56**

* Results include performance of subsidiary Wemart Global, incorporated in November 2016

Numbers as per Indian Accounting Standards (Ind AS18)

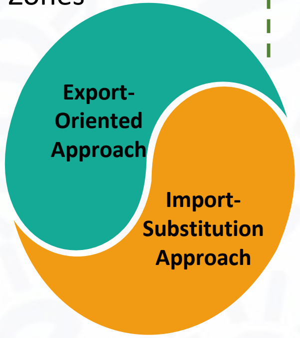
Way Ahead



Government Initiatives Supporting Investments

Ending tax uncertainty
End to inverted duty structure
Coastal Economic Zones

Investment incentives
Free Trade Agreements
High volume, low value added products



End to Inverted Duty Structure and Related Measures
Investment Incentives
Preferential Market Access
Differential Taxation

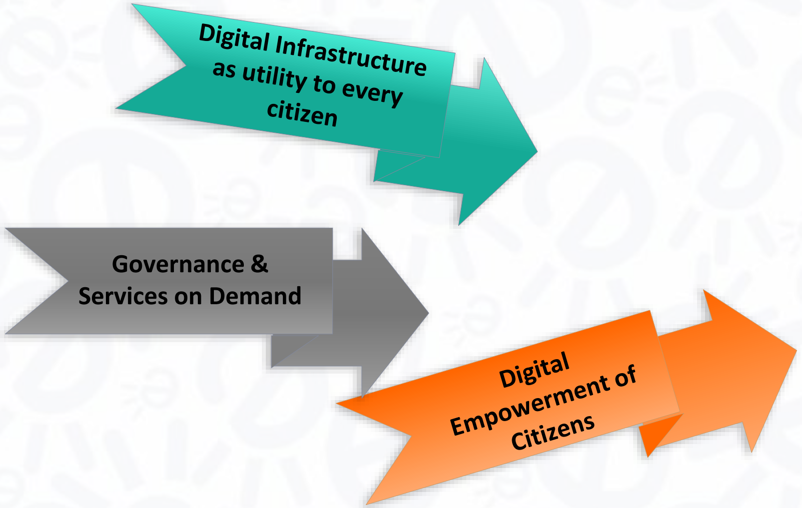
'Make in India'
Strategy for Electronic Products

100% FDI in Electronics sector

Electronics Manufacturing Clusters (EMCs) with incentives. 200 EMCs are envisaged by 2020

'Digital India '

- Electronics manufacturing - one of the pillars of Digital India initiative with focus on indigenous manufacturing of FABS, Fab-less design, Set top boxes, VSATs, Mobiles, Consumer & Medical Electronics, Smart Energy meters, Smart cards, micro-ATMs



Modified Special Incentive Package Scheme (MSIPS): Government provides CAPEX and Countervailing duty subsidies for manufacturers for period of 10 years

National Supercomputing Mission

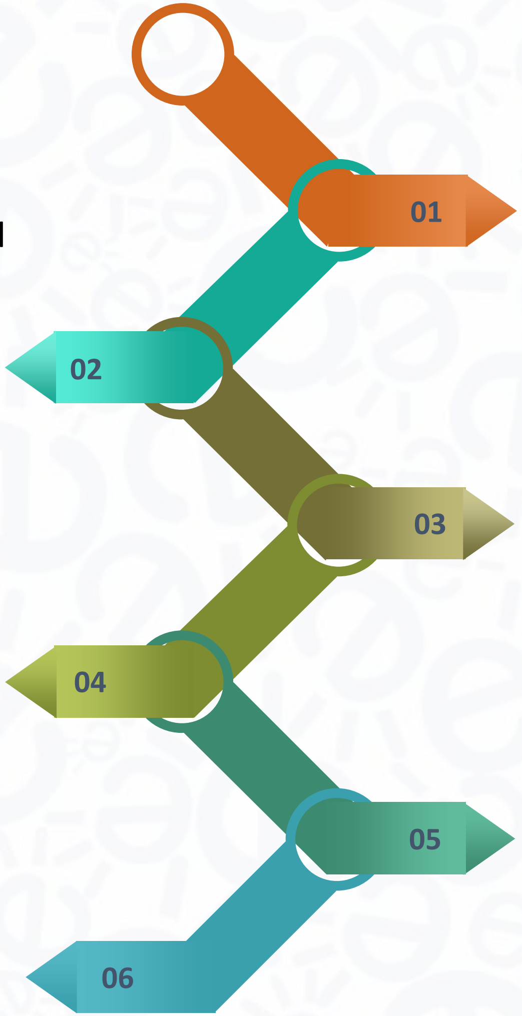
- To connect national academic and R&D institutions with a grid of over 70 high-performance computing facilities at an estimated cost of USD 692 million

Launch of National Centre of Excellence at IIT Kanpur and Bombay to boost innovation

Source- Industry & Govt. Report

Way Forward

PANACHE



Developing new markets for products

- Consumer electronics, education solutions - target rural and semi urban areas in Maharashtra,
- Telematics solutions – target transportation companies and educational institutions
- Internet of things (IoT) enabled solution for various sectors including Retail, BFSI, Computing etc.

Expand overseas operations

- Incorporated subsidiary – Wemart Global - Enhance B2B trade in Middle East & African Region

Focus on Research and Development

- Continuous endeavour to design, innovate and reinvent products

Enhance brand image

- Focus on brand creation in B2C
- Marcom activities to enhance brand image for B2C
- Build customer loyalty by providing excellent customer service

Capitalise on growing demand

- Huge push from Government's ‘Digital India’, ‘Make in India’ Initiatives

Growing existing client relationships

- Leverage domain expertise, understanding of target industry and close client relationships

Thank You

PANACHE

NSE PANACHE

Bloomberg PDIGI IN

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