

Please refer our detailed report dated June 2016



Energy Efficiency Services Limited (EESL) order tracker

Ordering stable in FY17; product portfolio expansion leads to a decline in lighting segment orders

- EESL broadens product basket with introduction of tube lights and pumps:** Energy Efficiency Services Limited (EESL) placed orders amounting to INR23.4b in FY17, up 4% from INR23b in FY16. The share of lighting products stands at 56% (streetlights – 26%, lamps – 24% and tube lights – 6%). In FY17, EESL placed orders for two new product categories: pumps and tube lights. Pumps' share in overall ordering stood at 22%, while tube lights garnered a 6% share. During the year, the fans and air conditioning segments witnessed healthy growth, although on a low base. Fans segment witnessed 7x increase in ordering, now constituting 3% of overall EESL ordering activity v/s 0.4% in FY16. Air conditioning segment witnessed 6x increase in ordering activity, with Voltas capturing 97% of the market via orders of chillers and room air conditioners. However, the air conditioning segment forms a very small portion (0.4%) of overall ordering of EESL.
- Post success in LED lamps ordering, focus shifts to street lighting/tube lights:** Of EESL ordering of INR23.4b in FY17, 56% was captured by the lighting segment. For FY17, the lighting segment ordering fell 8% YoY, mainly on account of a decline in the LED lamp segment. Lamp segment ordering declined 33.6% YoY to INR5.5b, partially compensated by the introduction of the tube light segment (6% of EESL ordering) and 4% YoY growth in the street lighting segment. Wipro is the market leader in the street lighting segment, with a 19% market share. On the other hand, Phillips dominates the lamps category, with a 34% share. Tube light leadership is shared by H.Q Lamps and Surya Roshni.
- Crompton grabs 22% market share in fans:** Orders worth INR0.8b were placed in FY17, with procurement price of INR764/unit (INR900-1,000/unit cost to the customer, including taxes) v/s retail price of INR1,400-1,500/unit. Orders were placed for five-star-rated fans with 2.5 years warranty. Crompton Greaves' market share stood at 22% in FY17, while USHA (which had a market share of 70% in FY16) was not able to bag any order in FY17.
- EESL orders 10m tube lights in FY17:** EESL finalized orders worth INR1.4b in FY17 at a procurement price of INR140/unit. Surya Roshni and H.Q Lamps were the market leaders with a 20% share, while Crompton was able to grab a 12% share.
- Pumps ordering starts in FY17:** Ordering for pumps has begun in FY17, with orders worth INR5.1b being placed in the year. EESL intends to replace 7HP pumps with 5HP pump (30% energy savings), which are procured for ~INR35,000/unit v/s retail price of INR45,000-50,000/unit. CRI Pumps is the market leader in the segment with a 45% share, and Crompton stood third in the category with a 16% share.

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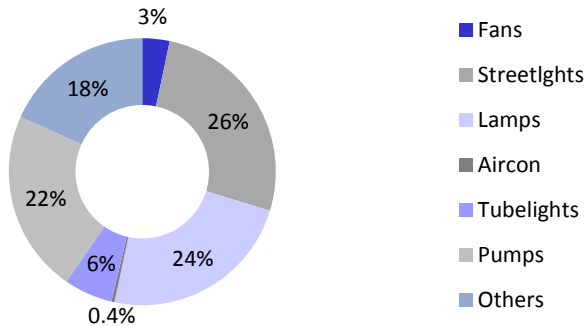
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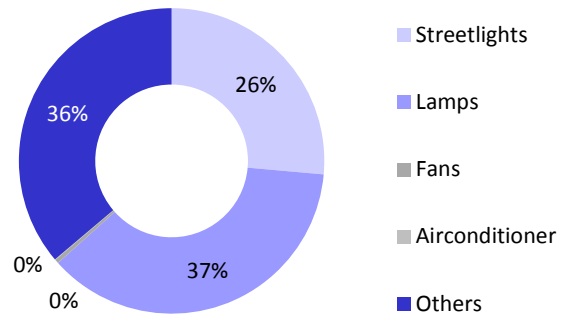
Story in Charts

Exhibit 1: 56% orders finalized in Lighting segment, with focus shifting from lamps to streetlights



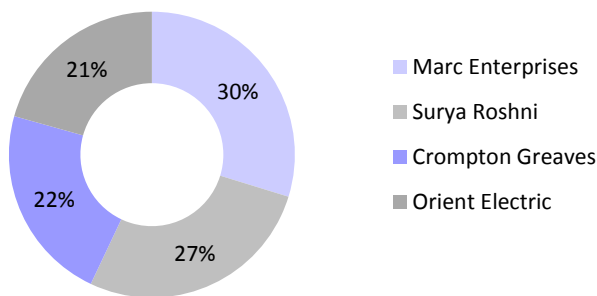
Source: MOSL, Company

Exhibit 2: 63% orders were in favor of lighting segment in FY16



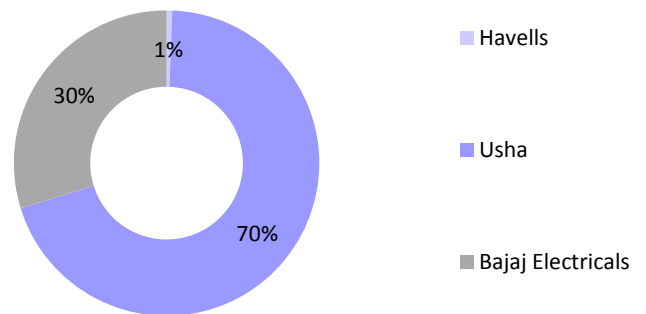
Source: MOSL, Company

Exhibit 3: FY17 witnesses strong ordering in Fans, with the segment now forming 3% of EESL ordering (+700% YoY)



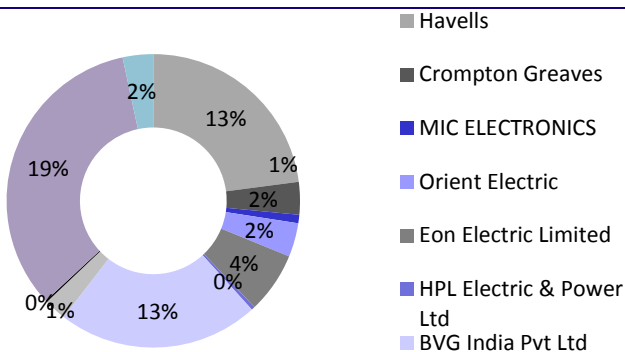
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Exhibit 4: USHA market leader in Fans, with 70% share in FY16



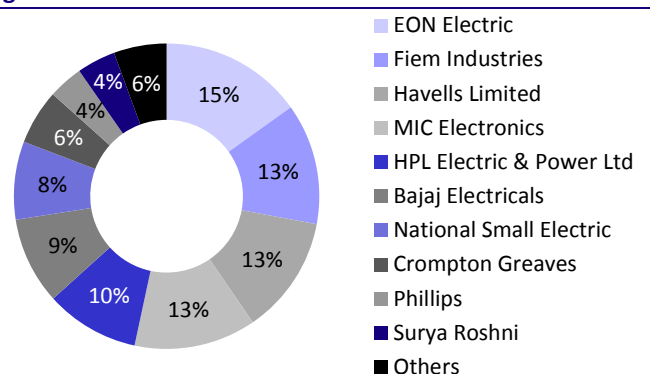
Source: MOSL, Company

Exhibit 5: Streetlight ordering witnesses muted growth in FY17 (+3.9% YoY), with Wipro leading the market with 19% share



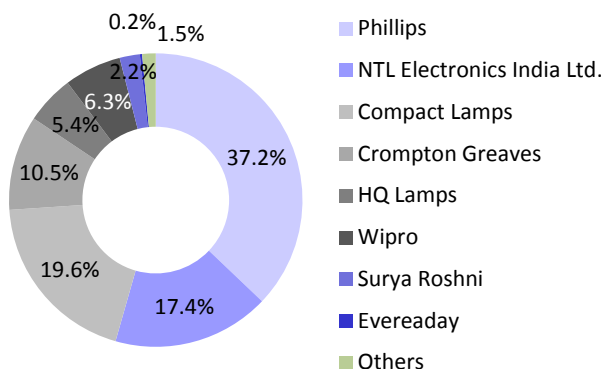
Source: MOSL, Company

Exhibit 6: Broader participation seen in the street lighting segment in FY16



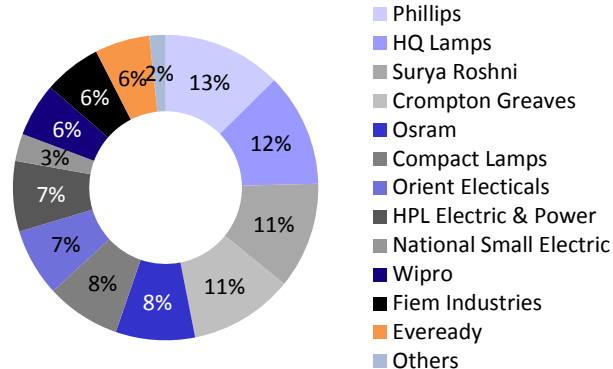
Source: MOSL, Company

Exhibit 7: LED Lamp ordering declines sharply by 34% YoY; Phillips leading the market with 37% share



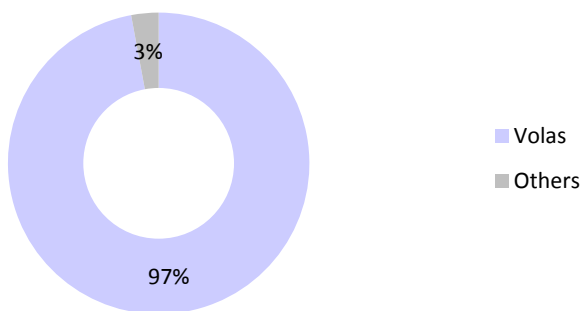
Source: MOSL, Company

Exhibit 8: Broader participation was witnessed in the LED segment in FY16



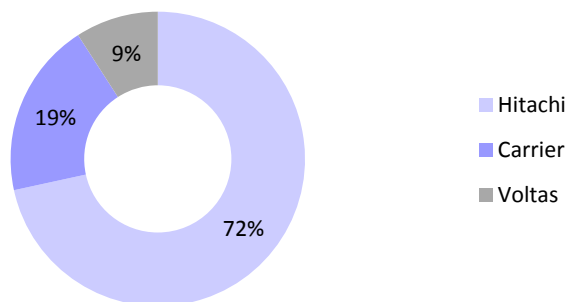
Source: MOSL, Company

Exhibit 9: Air con ordering registers 576% YoY growth in FY17, although on a lower base. Voltas stands as market leader with 97% share



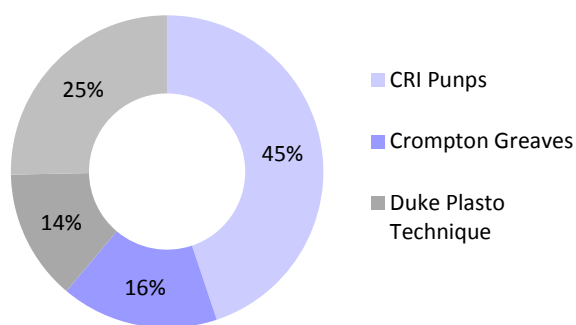
Source: MOSL, Company

Exhibit 10: Hitachi was market leader with 72% share in FY16



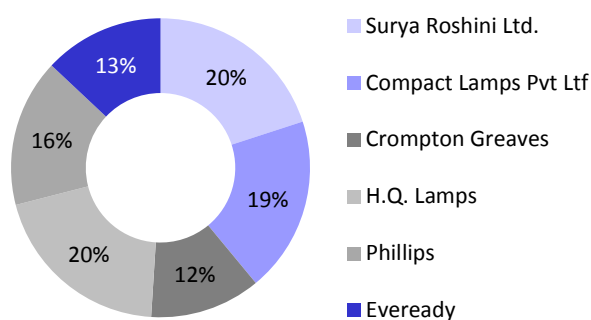
Source: MOSL, Company

Exhibit 11: Pump category grabs 22% of overall ordering in FY17



Source: MOSL, Company

Exhibit 12: Tube lights makes a debut with ordering of INR1.4b in FY17



Source: MOSL, Company

Exhibit 13: EESL plans on ordering various product categories over next three years

Description	3 year target(m)	Met 1HFY17(m)	FY17 target(m)
LED lamps	770	148.6	150
LED streetlights	35.0	1.1	2
Pumps	21	NA	0.6
Fans	44	NA	2
Air conditioners	1.8	NA	0
Tube Lights	NA	NA	50

Source: MOSL, Company

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