

Q4&FY16 EARNINGS PRESENTATION

May - 2016



BEARDSSELL LIMITED

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Financial – Q4 & FY16 Performance

Financial – Q4 & FY16 Performance

Particular (Rs mil)	Q4 FY16	Q3 FY16	Q-o-Q (%)	Q4 FY15	Y-o-Y (%)	FY16	FY15	Y-o-Y (%)
Total Income	462	414	12	431	7	1608.4	1418.2	13.4
EBITDA	46.8	26.8	75	32	46	123.2	73.4	67.8
Margins %	10	6	370 bps	7	270 bps	7.7	5.2	250 bps
PAT	12.2	4.5	173	14.6	(16)	31.3	(0.98)	-
EPS (Rs)	2.6	0.9	170	3.1	(16)	6.6	-	-

Commenting on the results, Mr. Bharat Anumolu, Managing Director, Beardsell Ltd said

“Both our businesses continue to progress smoothly on the back of improving demand and a widening customer base. We are particularly happy with the performance of our Prefabricated building business and are encouraged with its potential and outlook. There are numerous locations wherein prefabricated structures can be used and customers are appreciating the benefits not only of cost but in terms of durability, aesthetics and design.

While continuing to establish our presence in the South, we are also looking at opportunities in North India and other parts of the country.

Our packaging business continues to do well too and we are optimistic of expanding our customer relationships.

We look forward to continued growth and appreciation of our product offerings”



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Business Overview – Pre-fabricated buildings

- Business success dependent on efficient **time bound delivery** - Beardsell benefits from its commitment towards timely delivery
- Given the **complexity of the business** there are high entry barriers resulting in fewer market players, leading to consistent margins
- Leveraging expertise and know-how in the prefabricated market addressing customized needs of customers with a good delivery model in the South India
- Target is to have a pan India presence – recently won project in Maharashtra
- Strategic acquisition expected to support the growing order flow

Growth Drivers

- Timely delivery of executed government orders in the quarter creates potential for future orders
- Growing awareness of the cost effectiveness and better resilient than the traditional cement structures leading to increasing order growth
- Government orders to continue flowing in mainly in South India



- Sandwich-panel based cold storage
- Superior insulation property
- Application used in cold storages for Marine, Fruits, Pharma., perishable items



- Value-oriented design philosophy
- Earthquake resistant
- Use of lightweight materials
- Durable and long-lasting



- Student Housing
- Worker housing
- Refugee housing
- Housing for military personnel etc



- Can be dismantled and re-used in a different location if needed
- More energy efficient
- Can be constructed in remote areas

Benefits for Housing Projects

Low Cost:

- Reduced labor cost coupled with lower raw material and construction equipment cost is a primary benefit to any housing project. Low weight of the product also reduces logistical costs.

Fast Implementation:

- The design, production, transportation and erection of the building unit reduces time-lines of projects of all sizes compared to the RCC built structures

Structural Integrity:

- Earthquakes, hurricanes and high winds resistant

Uniform quality:

- The QuikBuild panel brings uniformly high quality to a construction project of any size.

Simple Construction:

- The QuikBuild system consolidates the masonry, insulation, plastering and utilities addition steps thus reducing the construction complexity.

Completed Projects





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Business Overview - Packaging (Consumer Durables)

- Consistently increased volumes catering to a set of high value / bigger ticket size customers
- Introduced new product variants rather than increasing prices has kept the margins under control
- Given the complexity of the business there are high entry barriers resulting in fewer market players, leading to consistent margins
- With rising demand and quality service sales expected to increase by 1.5x-2x over next 2-3 years
- Increase in EPS sales, mainly due to aggressive marketing and cost advantages vis-à-vis competitors

Growth Drivers

- Institutional customers expanding their production capacities (100 %+) over the next 3 years – Beardsell expected to pick up a major share of their increased EPS requirements
- New client addition from sectors untapped earlier will be another key driver for growth
- Consistently increasing volumes and introducing newer product variants

Beardsell has been spearheading the innovations in packaging design and development and has successfully developed cost effective and shock resistant EPS packaging over the years

The anti-static packaging is a pioneering solution designed by the company offers a viable solution for protecting electronic and ordinance items apart from explosive goods.

The Packaging business provides complex packaging solutions for various top consumer durable companies ensuring safe and secure transportation





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Growth Drivers

Pre-fabricated buildings

- Exploring opportunities in other (untapped) parts of the country
- Good order flow of turnkey projects both from private and government bodies
- Healthy growth expected on the back of rising acceptance in residential and commercial space given its benefits compared to traditional civil structures

Packaging

- Immunity from raw material price volatility - Larger customers negotiate processing contracts at flat processing charge

Pharma, Electronics & Specialty

- Rising government requirements to drive Isobuild (steel sandwich panel) business



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Financial Overview

Particulars (Rs mn)	FY14	FY15	FY16
Net Sales	1,070.4	1,418.2	1608.4
EBITDA	66.3	73.4	123.2
EBITDA Margin	6%	5.2%	7.7%
EBIT	43.7	38.1	85.7
Interest	23.8	50.7	58
Tax Expense	7.3	0.5	18.5
Net Profit	12.9	-0.98	31.35
Earnings Per Share (Rs.)	2.76	-0.21	6.69

Figures for FY15 & FY16 are consolidated

Financials – Balance Sheet Performance

Particulars (Rs mn)	FY14	FY15	FY16
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUND:			
(a) Share Capital	46.8	46.8	46.8
(b) Reserves and Surplus	285.7	288.2	307.4
Shareholders fund	332.5	335	354.2
NON-CURRENT LIABILITIES			
(a) Long-term borrowings	125.55	154.4	190
(b) Deferred tax liability (net)	18.4	18.5	21.54
(c) Other long term liabilities	0.89	0.3	1.48
(d) Long-term provisions	11.6	12.8	13.9
Non current Liabilities	156.4	186.1	227
CURRENT LIABILITIES			
(a) Short-term borrowings	117.7	174	146.6
(b) Trade Payables	186.8	263.8	343.31
(c) Others current liabilities	37.1	65.5	79.1
(d) Short-term Provisions	9.4	7.5	1.6
Current liabilities	350.9	511	570.7
TOTAL	839.9	1032.3	1152

Particulars (Rs mn)	FY14	FY15	FY16
ASSETS			
NON-CURRENT ASSETS:			
(a) Tangible Assets	399.5	433.1	508.6
(b) Work In Progress	18.9	33.9	19.9
(c) Intangible Assets	-	-	-
(d) Goodwill on consolidation	2.6	22.1	24.2
(d) Non-current investments	2.6	2.6	2.6
(e) Long term loans and advances	34.5	34.2	24.5
(f) Other non-current assets	-	-	-
Non current Assets	455.5	525.9	579.9
CURRENT ASSETS:			
(a) Inventories	80.3	122.76	137.9
(b) Trade receivable	208.3	264.4	288.9
(c) Cash and cash equivalents	68.2	53.1	52.6
(d) Short term loans & advances	27.5	65.5	80.8
(e) Other current assets	0.1	0.5	11.8
Current Assets	384.5	506.4	572
TOTAL	839.9	1032.4	1152

Figures for FY15 & FY16 are consolidated

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Thank you