

Q1FY17 EARNINGS PRESENTATION

August - 2016



BEARDSSELL LIMITED

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward looking statements. Beardsell 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.

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Financial – Q1FY17 Performance

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Particular (Rs mil)	Q1 FY17	Q1 FY16	Y-o-Y (%)	FY16
Total Income	420.2	288	45.9%	1,608.4
EBITDA	50.9	21.5	136.7%	123.3
Margins %	12.1	7.4	470 bps	7.7
PAT	20.6	7.0	194.3%	31.3
EPS (Rs)	4.4	1.5		6.6

Increasing appreciation for Prefab offerings combined with enhanced efficiencies of scale translate to improving profitability

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

“We are witnessing an encouraging response to our prefab offerings on the back of clear appreciation from both public and private sectors for their durability, aesthetic appeal, value proposition and faster completion. Aside from housing, our offerings also find application in applications in cold storages, Food Processing Plants, Pharmaceuticals and Roofing applications among others. Our packaging business too continues to grow steadily on the back of a strong connect with several leading brands.

Our enhanced scale and efficiencies have also helped us deliver a significantly improved operating performance. We registered Rs 50.9 crore which is a 137% growth in EBITDA for the period Q1FY17. Margins came in at 12% higher by 470 bps as compared to the corresponding quarter last year. We are confident on the ability of our business model to generate better and sustainable margins by leveraging on our operating efficiencies.

We are excited about the potential and distinct value offering of both our businesses and believe as in the developed markets the demand will follow through”

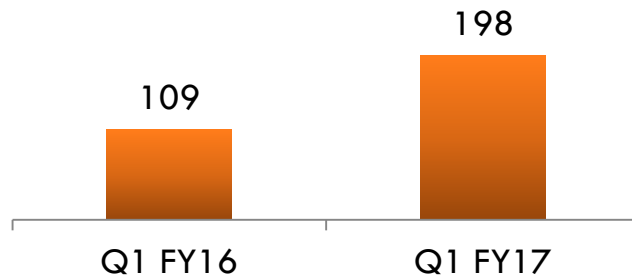


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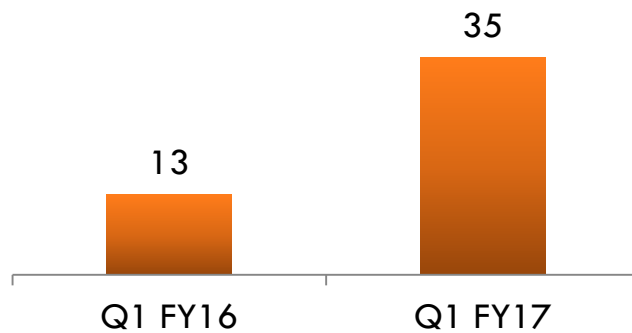


Business Overview – Pre-fabricated buildings

Revenue



EBIT



Comments on performance

- Additional orders from state government translated into revenues which added to the topline growth
- Increase in the turnkey projects during the quarter also contributed to the topline growth

- Prefab. business operations since last 20 years
- 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
- IsoBuild and QuikBuild products are gaining popularity in South India
- Strong balance sheet to support strategic acquisitions going forward

Growth Drivers

- Growing awareness of the cost effectiveness of pre-fabricated structures
- Better resilient then the traditional cement structures leading to increasing order growth
- Isobuild projects gaining acceptance in government agencies resulting in follow-on orders
- Timely delivery of executed government orders in the quarter creates potential for future orders

Pre-fabricated Product Offerings



- 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



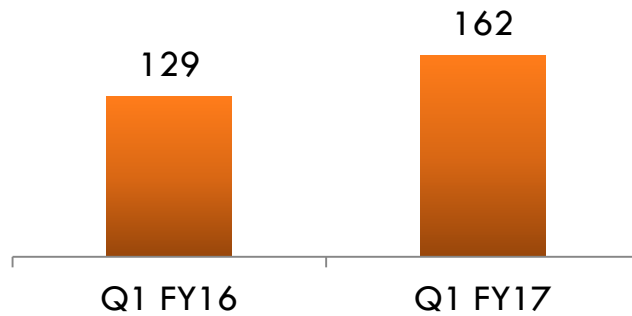


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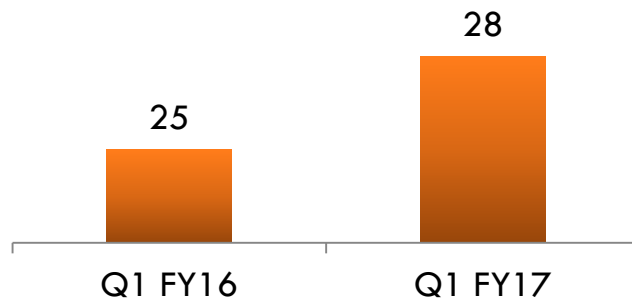


Business Overview - Packaging (Consumer Durables)

Revenue



EBIT



Comments on performance

- Increase in volumes led to a 26% jump in revenues
- Despite fluctuation of raw material prices operating margins have remained steady on the back of operational efficiencies

- 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 over the 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

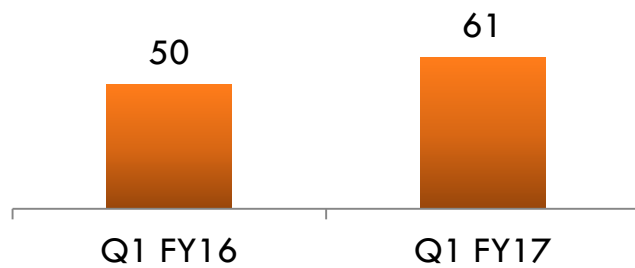
Beardsell has been spearheading the innovations in packaging design and development and has successfully developed cost effective and shock resistant EPS packaging over the years

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.

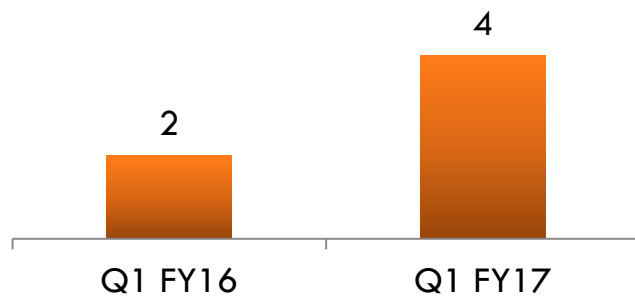
The Packaging business provides complex packaging solutions for various top consumer durable companies ensuring safe and secure transportation



Revenue



EBIT





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Growth Drivers

Pre-fabricated buildings

- Additional orders for RO cabins from Government of Karnataka
- Bid for 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
- Under utilized capacity provides room for meeting higher demand with no additional capex cost.

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	1,061.2	1,418.2	1,608.4
EBITDA	57.1	73.4	123.2
EBITDA Margin	5.4%	5.2%	7.7%
EBIT	34.8	38.1	85.7
Interest	23.8	50.7	58.0
Tax Expense	7.3	0.5	18.5
Net Profit	12.9	(1.0)	31.4
Earnings Per Share (Rs.)	2.8	(0.2)	6.7

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	282.8	307.4
Shareholders fund	332.5	329.6	354.2
NON-CURRENT LIABILITIES			
(a) Long-term borrowings	125.6	154.4	190.0
(b) Deferred tax liability (net)	18.4	18.6	21.5
(c) Other long term liabilities	0.9	0.3	1.4
(d) Long-term provisions	11.6	12.8	14.0
Non current Liabilities	156.5	186.1	227.0
CURRENT LIABILITIES			
(a) Short-term borrowings	117.7	174.0	146.6
(b) Trade Payables	186.8	263.9	343.3
(c) Others current liabilities	37.1	65.5	79.1
(d) Short-term Provisions	9.4	7.5	1.7
Current liabilities	350.9	511.1	570.7
TOTAL	839.9	1027.0	1152.1

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	-	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	526.0	579.9
CURRENT ASSETS:			
(a) Inventories	80.3	122.7	137.9
(b) Trade receivable	208.3	264.4	288.9
(c) Cash and cash equivalents	68.3	53.1	52.6
(d) Short term loans & advances	27.5	60.1	80.8
(e) Other current assets	0.1	0.6	11.9
Current Assets	384.5	501.0	572.1
TOTAL	839.9	1,027.0	1,152.1

Figures for FY15 & FY16 are consolidated

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Thank you