

Ref: HIL/SE/2023-24/16

May 16, 2023

To
BSE Limited
P.J.Towers, Dalal Street,
Mumbai – 400 001

Scrip Code: 509675
Through: BSE Listing Centre

To
National Stock Exchange of India Limited
5th Floor, Exchange Plaza, Bandra (E),
Mumbai – 400 051

Scrip Symbol: HIL
Through: NEAPS

Sub: Investor Presentation on Q4 & FY23 Financial Results

Ref: Regulation 30 of SEBI LODR Regulations, 2015

Dear Sir,

Please find attached Investor Presentation on Audited Financial Results (Standalone & Consolidated) of the Company for the quarter and financial year ended March 31, 2023.

A copy of the presentation is being uploaded on the website of the Company www.hil.in

Kindly take the same on record.

Thanking you.

Yours faithfully,

For HIL LIMITED

Saikat Mukhopadhyay
Chief Financial Officer



5th YEAR
IN A ROW



CK BIRLA GROUP | **HIL**

Financial Results Presentation

Q4 & FY2023

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This presentation may contain certain forward-looking statements relating to HIL Ltd. (“HIL”, or “Company”) and its future business, development and economic performance. These statements include descriptions regarding the intent, belief or current expectations of the Company, its subsidiaries and associates and their respective directors and officers with respect to the results of operations and financial condition of the Company, subsidiary or associate, as the case may be. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to (1) competitive pressures; (2) legislative and regulatory developments; (3) global, macroeconomic and political trends; (4) fluctuations in currency exchange rates and general financial market conditions; (5) delay or inability in obtaining approvals from authorities; (6) technical developments; (7) litigation; (8) adverse publicity and news coverage, which could cause actual development and results to differ materially from the statements made in this presentation. Company assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise. Any forward-looking statements and projections made by third parties included in this presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

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Disclaimer

The CK Birla Group – 165+ Years of Rich Legacy

Over **US\$2.8 billion**
Conglomerate



Over **30,000+**
Employees



Focus on **Long-term Values,**
Trust-based Relationships



Present across
Five Continents



Numerous
Patents & Awards



Relationships &
Philanthropy

Vision and Mission

Vision



“To be a leading, global, innovative, and eco-friendly, building and infrastructure solutions company and create sustainable value for our stakeholders”

Mission



To deliver a diversified portfolio of eco-friendly products and solutions fueled by innovation

To digitalize processes end-to-end for business excellence

To build a strong corporate brand present across all continents

A diverse workplace that is a preferred employer



.....while continuing to meet our highest standards of, quality corporate social responsibility, safety, health and environment.

Value, Vision and Lineage



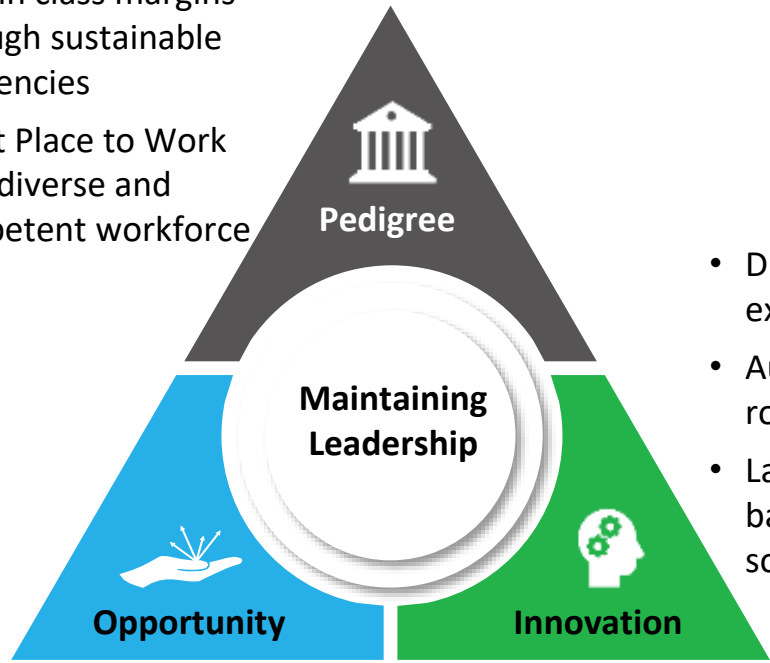
CK Birla:

Business must be conducted with the highest standards of excellence, values, respect for the environment and human health. Business is the means to develop a better society and provide care to all. HIL will play its role in the infrastructure and construction sectors as a leader, shaping the future of this industry with practices and products that are eco-friendly and technologically advanced



HIL's Agenda

- Establish strong brands
- Committed dealership
- Best-in class margins through sustainable efficiencies
- Great Place to Work with diverse and competent workforce



- Drive organic expansion
- Augment non-roofing portfolio
- Launch research based green solutions

- Develop adjacent complementarities
- Diverse and sustainable portfolio
- Harness existing core strengths



76 Years Journey of HIL

1946

Incorporation of the Company

1975

Established the R&D Centre at Hyderabad

1997-99

Commenced production of Aerocon panels in Faridabad

Commenced production of Aerocon blocks at Chennai

2013

Changed the name of the company to 'HIL Ltd'

Commencement of Production of PVC Pipes at Faridabad

2015

AAC block plant commissioned in Jhajjar

2018

Commencement of Production of CPVC & UPVC Pipes and fittings at Golan

Acquisition of

PARADOR

"Luxury flooring concepts" Company located at Germany

Associated with Chennai Super Kings as Brand Ambassador

2020

Sale of 'HYSIL' business to Calderys India Refractories Ltd.

Commercialization of new Putty Plant at Golan

2022

Awarded Great Place to work for 4th Consecutive year

Formation of PARADOR UK LTD

Expansion of blocks business through an acquisition of plant with installed capacity of 150,000 CuM.

Commissioned AC sheet plants at Hyderabad and Faridabad

1949-66

HIL listed in Stock Exchange

1988

Set-up Windmills as source of Green Energy

2011

Commencement of Production of PVC Pipes at Thimmapur

2014

Commencement of Production of Dry Mix at Jhajjar

2016

Fortune India 500 Company

Expansion of production capacity of CPVC, UPVC and SWR Pipes at Thimmapur and Faridabad

Awarded Great Place to Work

2019

Awarded Great Place to work for 3rd Consecutive year

Commercialization of Charminar Fortune and production of Birla Aerocon Flat Board at Faridabad

2021

Brand and Product Overview



- Fibre Cement Sheets
- “Charminar+” Coloured Fibre Cement Sheets



- Next Gen Non-asbestos Corrugated Roofing Sheets



Dry Wall:

- Solid Wall Panels
- C- Boards
- Flex-O-Boards
- SmartBond
- Designer Board

Wet Wall

- AAC Blocks
- Block Jointing Mortar



Birla Construction Chemicals

- Water Proofing Solution
- Tile Adhesive
- Primer
- Distemper



Pipes & Fittings:

- UPVC Pipes and Fitting
- CPVC Pipes and Fitting
- SWR Pipes and Fitting
- Column Pipes
- Pressure Pipes
- Water Tanks

Wall Putty

- Gypsum Plaster

Construction Chemicals:

- Primers & Stainers
- Tile Adhesives
- Water proofing Solutions



- Engineered Wood Flooring
- Laminate Flooring
- Resilient Flooring
 - LVT
 - ModularOne
 - SPC
- Skirting, Wall & Ceiling Panel and Accessories

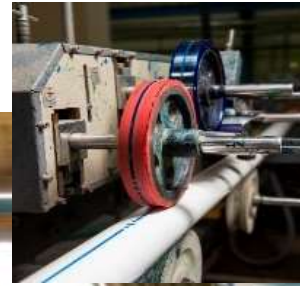
Manufacturing Prowess



**Roofing
Solution**



**Building
Solution**



**Polymer
Solution**



**Flooring
Solution**



World-class facilities. End-to-end connected shopfloors

Awards Won



Charminar & Birla Aerocon awarded as Superbrands 2023 for 5th year in row



Top-Innovator 2022 - Top 100



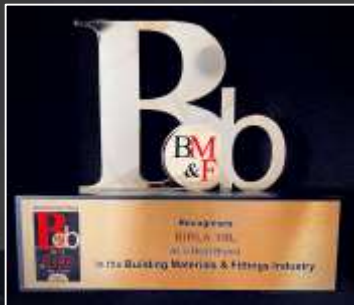
Good Design Award 2022



Interior & Exterior Awards 2023



India's Most Trusted Brand Awards 2022



Best Brands in the Building Materials and Fittings Industry



Charminar as Brand Of the Decade 2023 under Infrastructure Roofing Solutions



German Design Award 2022



HIL LIMITED India's most ethical award Nov'21



Most trusted Brand Birla HIL Putty



Best Workplaces in
Manufacturing



Brand of the year – CEO
magazine



Iconic Awards For Innovative
Interior Parador 2021



Best of Content Marketing



Top Challenger
Award 2020



Best Information Security Project
” & “Best Modern Technology
Infrastructure Project”



Annual Multimedia
Award 2022



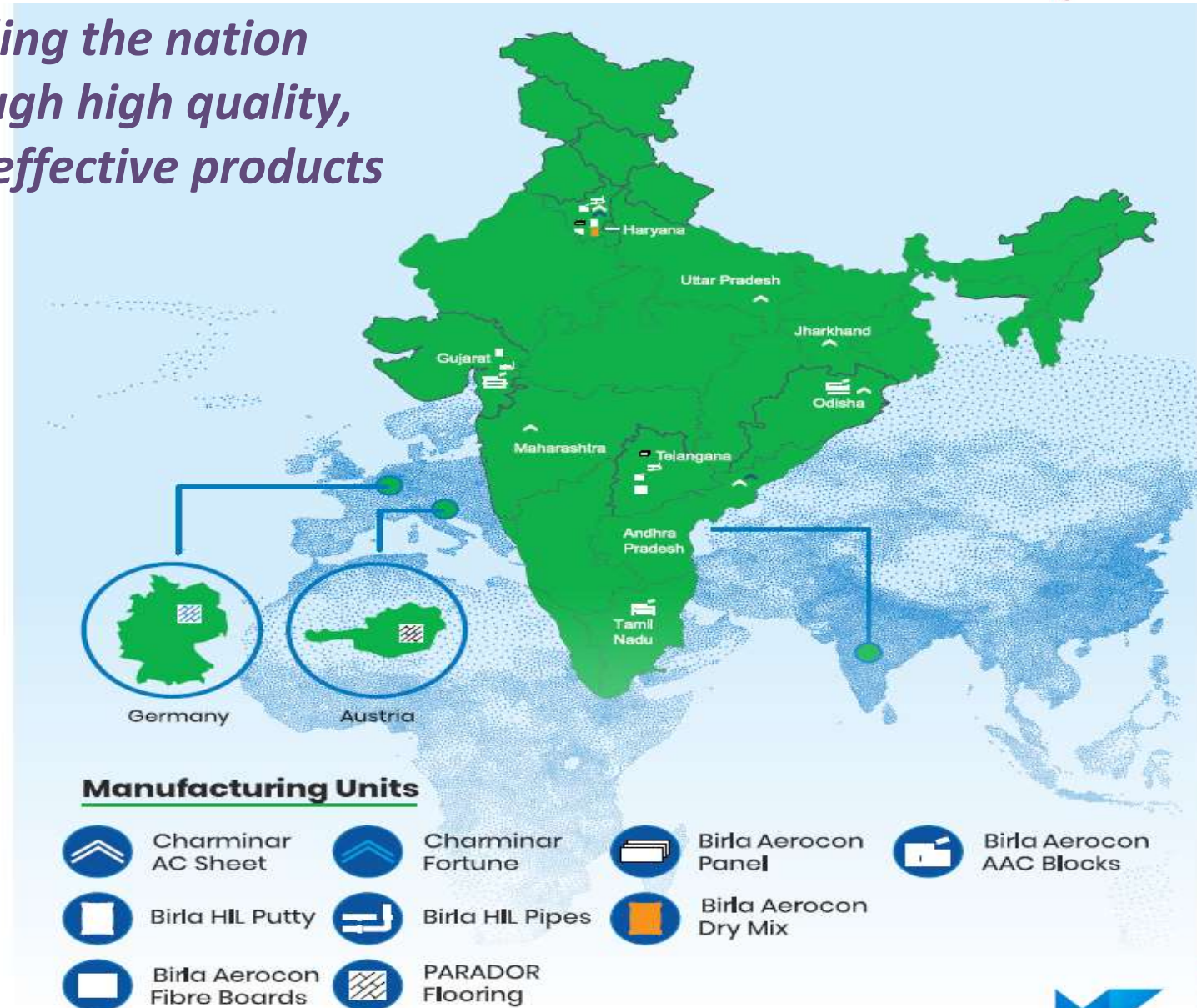
Germany's Most Popular
Provider - Life & Living –
Parador - ntv and the German
Institute for Service Quality

Geographical Presence

Key competitive advantage

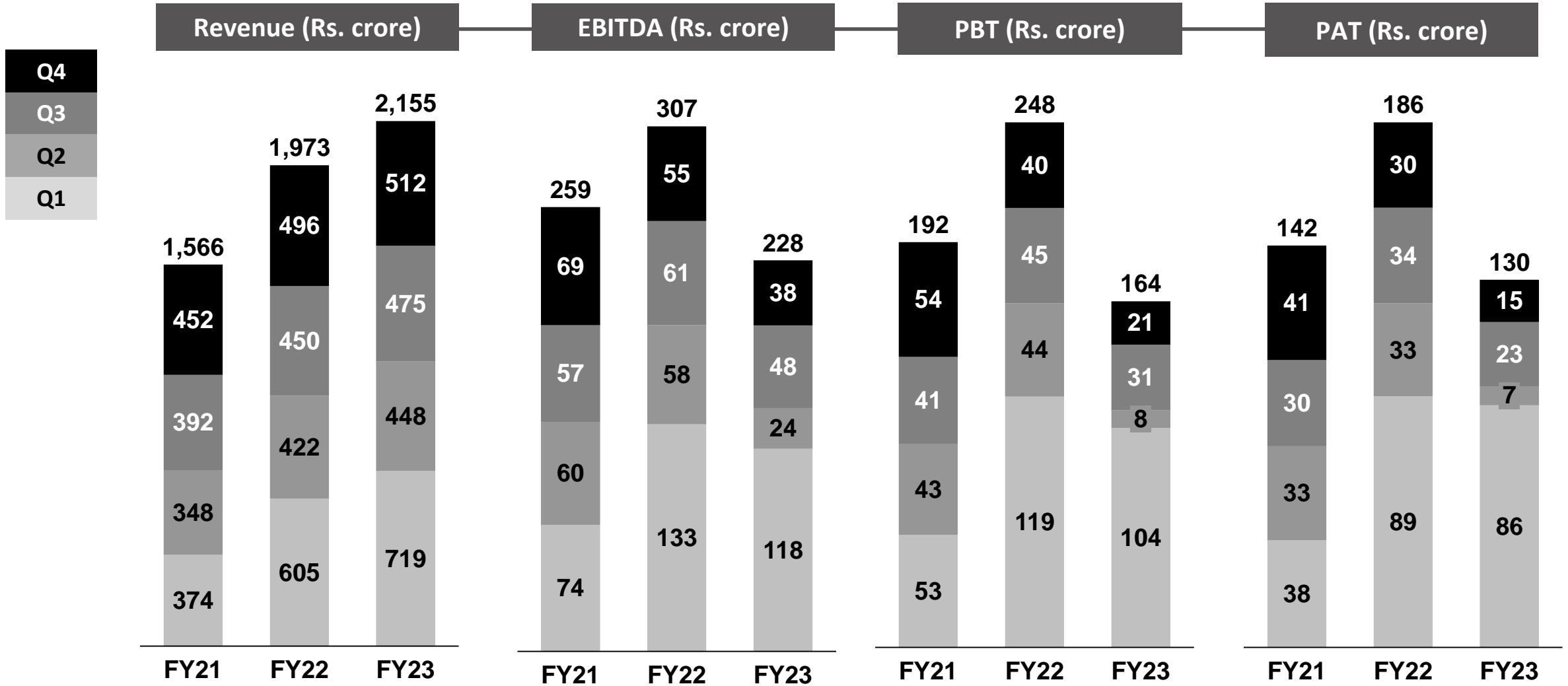
- 24 Manufacturing facilities in India
1 in Germany and 1 in Austria
- 42 Sales depots
- 4 sales offices
- 2,500 loyal stockiest/distributors
- 6,000+ sub-dealers
- Deeper market penetration – Rural
- Retail network and real estate markets - Urban & Semi-urban
- Green building products
- Low cost, high strength & best quality roofing products
- Presence in 80+ countries

Building the nation through high quality, cost effective products



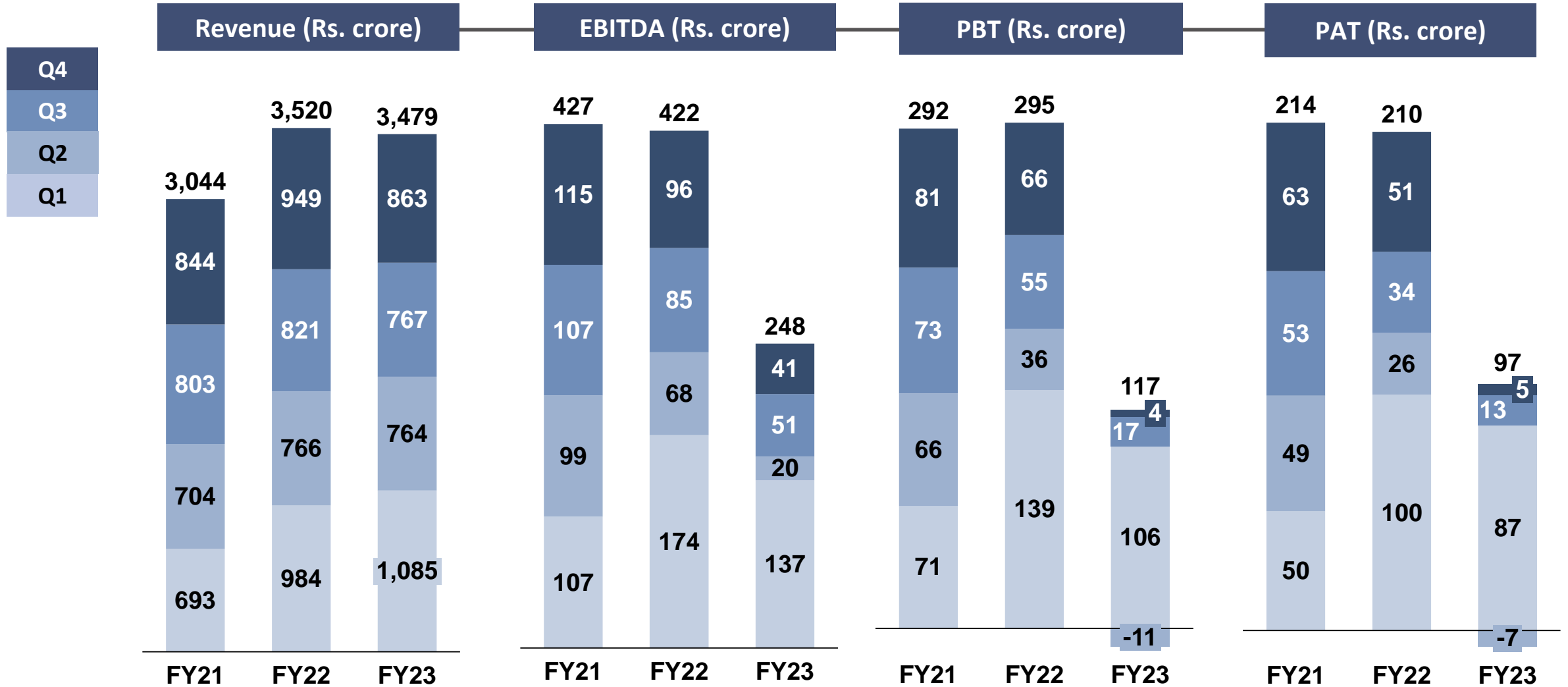
Quarterly Discussion

Highlights of Standalone FY23 Performance













All numbers are exclusive of discontinued operations of Thermal Insulation business

Highlights of Consolidated FY23 Performance



All numbers are exclusive of discontinued operations of Thermal Insulation business

Key Segment Performance

| |  FY23 Revenue Growth |  FY23 PBT |
|-------------------|--|--|
| Roofing Solution | 1,115  7% 1,045 | 225  -27% 164 |
| Building Solution | 510  27% 400 | 46  59% 29 |
| Flooring Solution | 1,549  -15% 1,324 | 53  -177% -40 |
| Polymer Solution | 526  1% 521 | 35  -98% 1 |

Note: all figures in Rs. Crore

Progressively advancing towards becoming a "One-Stop" Global Building Material & Solution provider

Financial Statements – P&L

In Rs. Crore

| Particular | Standalone | | | Consolidated | | |
|--------------------|------------|---------|----------|--------------|---------|----------|
| | Q4 FY23 | Q4 FY22 | Y-o-Y | Q4 FY23 | Q4 FY22 | Y-o-Y |
| Total Income | 517 | 499 | 3% | 867 | 952 | -9% |
| Total Expenditure | 479 | 444 | 8% | 826 | 856 | -4% |
| EBITDA | 38 | 55 | -31% | 41 | 96 | -57% |
| <i>Margins (%)</i> | 7% | 11% | -373 bps | 5% | 10% | -530 bps |
| PBT | 21 | 40 | -49% | 4 | 66 | -94% |
| <i>Margins (%)</i> | 4% | 8% | -414 bps | 1% | 7% | -644 bps |
| PAT | 15 | 30 | -51% | 5 | 51 | -91% |
| <i>Margins (%)</i> | 3% | 6% | -316 bps | 1% | 5% | -479 bps |
| EPS | 19.79 | 40.17 | -- | 6.16 | 67.41 | -- |

- Despite higher inflation and weaker demand in the market, our relentless focus on driving lean operations and efficiencies has partially compensated the negative impact
- Another successful quarter delivered in India despite severe headwinds driven by agile and highly capable teams

Financial Statements – P&L

In Rs. Crore

| Particular | Standalone | | | Consolidated | | |
|--------------------|------------|--------|----------|--------------|--------|----------|
| | FY23 | FY22 | Y-o-Y | FY23 | FY22 | Y-o-Y |
| Total Income | 2,188 | 2,005 | 9% | 3,504 | 3,551 | 1% |
| Total Expenditure | 1,960 | 1,698 | 15% | 3,256 | 3,129 | 4% |
| EBITDA | 228 | 307 | -26% | 248 | 422 | -41% |
| <i>Margins (%)</i> | 10% | 15% | -485 bps | 7% | 12% | -480 bps |
| PBT | 164 | 248 | -34% | 117 | 295 | -60% |
| <i>Margins (%)</i> | 7% | 12% | -490 bps | 3% | 8% | 498 bps |
| PAT | 130 | 186 | -30% | 97 | 210 | -54% |
| <i>Margins (%)</i> | 6% | 9% | -332 bps | 3% | 6% | -316 bps |
| EPS | 172.96 | 247.73 | -- | 129.11 | 280.54 | -- |

- High inflation in Europe led to weak consumer sentiments, resulting into a soft demand scenario
- Gross margin in Parador is expected to improve in coming quarters on account of reduction in key raw material prices and logistics cost

Financial Statements – Balance Sheet

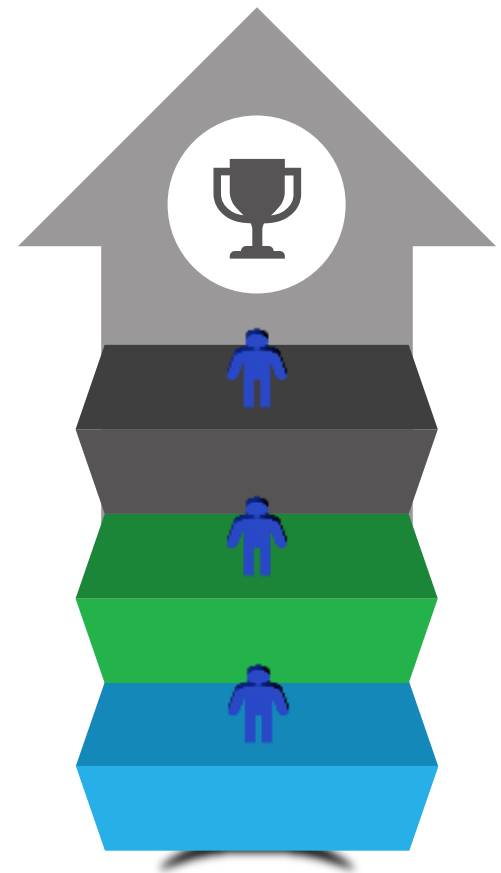
In Rs. Crore

| Particular | Standalone | | | Consolidated | | |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 31.03.2023 | 31.03.2022 | 31.03.2021 | 31.03.2023 | 31.03.2022 | 31.03.2021 |
| A) Equity & Liabilities | | | | | | |
| Shareholder's funds | 1,114 | 1,030 | 876 | 1,244 | 1,166 | 995 |
| Non-current liabilities | 68 | 64 | 128 | 351 | 315 | 422 |
| Current liabilities | 494 | 439 | 397 | 769 | 742 | 696 |
| Total Equity & Liabilities | 1,676 | 1,533 | 1,401 | 2,364 | 2,223 | 2,113 |
| B) Assets | | | | | | |
| Non-current assets | 1,096 | 1,014 | 1,003 | 1,319 | 1,212 | 1,226 |
| Current assets | 580 | 519 | 398 | 1,045 | 1,011 | 887 |
| Total Assets | 1,676 | 1,533 | 1,401 | 2,364 | 2,223 | 2,113 |

- Net worth increased to Rs.1,244 crore as on March 31, 2023 from Rs.1,166 crore as on March 31, 2022
- Total Debt to Equity at 0.33 as on March 31, 2023 vs. 0.25 as on March 31, 2022
- Focus on enhancing the health of the balance sheet and cash flows continues

HIL ESG Transformation Journey

Become a leading global, innovative and eco-friendly building and infrastructure solutions company and create sustainable value for all stakeholders



ESG ratings

- HIL will apply for ESG Ratings from DJSI, CDP, Sustainalytics

Global disclosures

- Emissions across our value chain will be inventoried and we will align with guidelines such as SBTi, TCFD

Integrated Report & BRSR

- Integrated report, highlighting our financial as well as non-financial ESG progress being drafted
- BRSR will also be published as part of the Integrated Report

ESG Governance Structure

- Corporate Social Responsibility and Sustainability committee, ESG steering committee & ESG working group for holistic ESG oversight across our value chain

Certifications

- Some of our products have obtained green certifications such as GreenPro

ESG strategy

- ESG strategy formulated across environmental, social & governance focus areas

GPTW Certified Company – 5th Consecutive year



- GPTW Best Employers: Top 100 - Rank improved from 67 in 2020, 55 in 2021, 57 in 2022 and TOP 50 in (ranking is awaited)
- Enhanced Engagement Scores from 77 (2019), 82 (2020), 86 (2021), 94 (2022) and 93 (2023)
- Best in Manufacturing:
 - India Top 30 – 3 times (2020, 2021 and 2022); and
 - Best in Manufacturing: India Top 25 – 2023
- Best in Cement and Building materials – 4 times in a row (2020, 2021, 2022 and 2023)
- GPTW Certification five years in a row & ranked Top 100 – (2020, 2021 and 2022) and ranked in TOP 50 - 2023

Outlook

Investments in creating opportunities for growth in AAC Blocks, Panels and Boards by way of capacity expansion

Growth from leadership in roofing business through deeper distribution and stronger marketing

Build a sustainable distribution network by establishing sales joint ventures / subsidiaries in prioritized markets



Focus on driving non-roofing portfolio comprising Building, Polymer & Flooring Solutions

Establish the innovative non-asbestos roofing solutions especially for institutional & MNC customers in India and overseas

Launch adjacent products and explore inorganic avenues to augment existing business mix

....Steadily progressing towards the \$1 billion vision

Message from Managing Director & CEO



Akshat Seth

“Our performance during the year reflects HIL’s inherent agility, responsiveness, and resilience. Headwinds originating from the uncertain geo-political situation in Europe, inflationary pressures on raw material in India and unprecedented volatility in PVC resin, will inevitably have deeper industry wide ramifications. In this scenario, we have doubled up on long standing focus on operational efficiencies and continuous improvement in our cost structure by Digitizing our shop-floors with IoT 4.0 based solutions, using data and analytics to drive decision-making and by organization wide application of lean six sigma principles.

I am proud that we have extended our market leadership in Roofing with significant improvement in volumes and pricing in FY23, driven by the Charminar brand – that carries a 75 year + legacy of trust. We remain at the cutting edge of product quality and innovation and have deepened our distribution and reach to remotest corners. High cost of raw materials and sea freight, however, impacted margins adversely.

In Building solutions, a strategic diversification to also include customers in tier 2 / 3 cities has led to higher realizations and favourable payment terms which helped deliver a robust performance in FY23. With our capacities fully utilized, successful integration of blocks business of FastBuild during second quarter, commissioning of new boards and panels plant at Odisha towards the end of the year, our next growth lever will be capacity enhancement at existing plants using Digitization led efficiencies. The acquisition of blocks plant in Odisha will immediately help us to profitably ramp up in East India, where we see a huge demand potential.

We witnessed a healthy growth in volume and revenue in our Polymer solutions. However, the margins are severely under pressure due to sharp fall in resin prices and higher cost of other chemicals and polymers.

In Europe, the geo-political crisis, high inflation and uncertain demand presented a challenging market. Sharp focus on demand fulfilment and costs while leveraging inherent strengths of our product design, innovation and quality meant Parador outperformed peers in that market.

As the cost pressures have started easing out and the demand picks up this year, we are optimistic of Parador’s prospects. We remain committed to deepening the Parador brand presence beyond Central Europe to other parts of Western Europe, North America, Middle East, and Asia. In this pursuit, we have incorporated a new legal entity in UK during the year.

Our people define HIL. Our business achievements are led by the sterling contribution of our teams – on the shop floor, at the frontlines and in our R&D centers. As we march towards our goals, we will sustain our enabling work-culture to ensure our teams are inspired to take HIL to the next level”

Contact Us

About Us:

Founded in 1946 and having completed 76 glorious years HIL Limited is an integral part of a burgeoning marketplace. It is the flagship company of the CK Birla Group, which is a growing US\$2.8 billion conglomerate with diversified interests. With over 30,000 employees, 47 manufacturing facilities and numerous patents and awards, the Group's businesses operate in five continents.

Today, HIL is the acknowledged leader in the Building Material space in India. HIL has been honored with the title of "Asia's Most Trusted Building Material Company for last 3 consecutive years by IBC INFOMEDIA. HIL also holds two consumer SuperBrand title and ranks amongst the top 20% of all other SuperBrands across all categories in India.

HIL manufactures a comprehensive range of products. Its Charminar brand is an established market leader in roofing solutions. Birla Aerocon, provides Green Building Solutions that includes Dry Walling and Wet Walling products. Birla HIL, manufactures and distributes Plumbing solution, Wall Care Putty and range of Construction Chemicals products. Parador, the category leader in design & innovations, covers wooden flooring solutions. These are easy to install, energy efficient along with being superior in quality.

HIL's strength lies in its state-of-the-art manufacturing facilities, an unmatched distribution network and diligent customer care. HIL exports its products worldwide. The company is committed to support and provide environment friendly products by following green and safe practices. With reference to the health surveillance records of our employees, HIL can safely claim that our AC sheets do not pose a health hazard to its workers, people who live under them, and the general population at large.

In its quest for excellence, HIL has developed a world-class R&D facility with a team of highly qualified and dedicated professionals to develop and refresh technologies and processes continuously redefining industry standards leading to solutions that are enriched, cost-effective and environmentally friendly.

HIL has surged ahead with a deep commitment to re-greening the world: it has adopted a unique "five- way green" philosophy to ensure that our products and processes are environmentally friendly from end-to-end. Over 30% of our energy needs are met from renewable sources. The company sources green raw materials with a low carbon footprint and processes them using green manufacturing that produces least effluents, byproducts and emissions. Finally, our end products are green, recyclable and have minimal environmental impact.

HIL is truly dedicated to providing smart choices that ensure environmentally sustainable Solutions.

With HIL we can explore a world of possibilities in building our dreams for a greener and safer tomorrow.

Additional information on the Company is available at the following link; <http://www.hil.in>

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