



BEARDSELL LIMITED

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Sec : JULY: 2017

3rd July, 2017

The Listing Manager, ::
National Stock Exchange of India Limited,
Exchange Plaza
Bandra Kurla Complex, Bandra (E)
Mumbai-400 051
Scrip Code: BEARDSELL

The Listing Manager
BSE Limited
Registered Office : Floor 25
P J Towers, Dalal Street,
Mumbai – 400 001
Scrip Code: 539447

Dear Sir

Investor brief received from Citigate Dewe Rogerson Communications Private Limited is enclosed for your information - (Q4 & 12m fy-2016-2017 earnings presentation)

Thanking You

Yours faithfully,
For BEARDSELL LIMITED


K-Murali
Company Secretary





BEARDELL LIMITED



May - 2017

Q4 & 12MFY17 Earnings Presentation

Disclaimer



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.



**Q4 & 12MFY17
Performance**

**Growth
Drivers**

**Business
Overview**

**Financial
Overview**

Pre-fab continuing to gain traction

- Quikbuild and Isobuild receiving strong interest from both past & continuing clients
- Orders being won from both private and public sector
- Quikbuild now approved by CPWD and one school project tendered by Delhi Municipal Corporation currently being executed

Packaging – steady performance

- Expanding & deepening relationship with leading consumer durable players
- Exploring more efficient alternatives less susceptible to crude

Entry into new geographies

- Bagged a government project in Bihar to construct police barracks with Quikbuild; Order bagged for supply of Quikbuild materials for a school construction project in Odisha
- Starting a factory in Delhi to cater to the Quikbuild projects in the North Indian region

Improving operational efficiencies

- Partial shifting of the Navi Mumbai facility to SUPA has helped reduce costs
- All 7 plants namely SUPA (2), Karad, Hyderabad, Bangalore, Chennai & Coimbatore

Letter of intent received for purchase of land

- Letter of intent received to purchase land and building at MIDC, Patalganga for Rs 80 million. Transaction expected to be completed by H1FY18

Board approval to raise money through a QIP

- The Board of Directors has authorised the management to raise funds through QIP route

- GST: Prefab is a largely unorganised industry; GST expected to be a positive for an established and organised player like Beardsell; enabling greater market access
- Benefits from demonetization playing out: increasing shift to larger entities
- Raw material prices witnessed a spike leading to pressures on margins. Prices have since subsided

Managing Director's Comments

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

**Progressive outlook and
a thoroughly
professional approach**

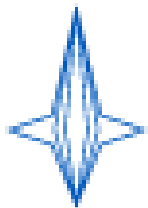
“Our financial and operating performance was impacted by a fluid macro environment and a higher than anticipated spike in raw material prices. We are now seeing a gradual improvement on both these fronts..

The merits of our Prefab structures from an aesthetic, time and cost perspective are increasingly being appreciated . Improving performance of the consumer durable segment is also translating to demand traction for our packaging business.

We welcome the Government's Policy initiatives particularly on demonetisation and GST , which enable better transparency and smoothness of business.

We will continue to explore opportunities to drive growth both organically and inorganically ”

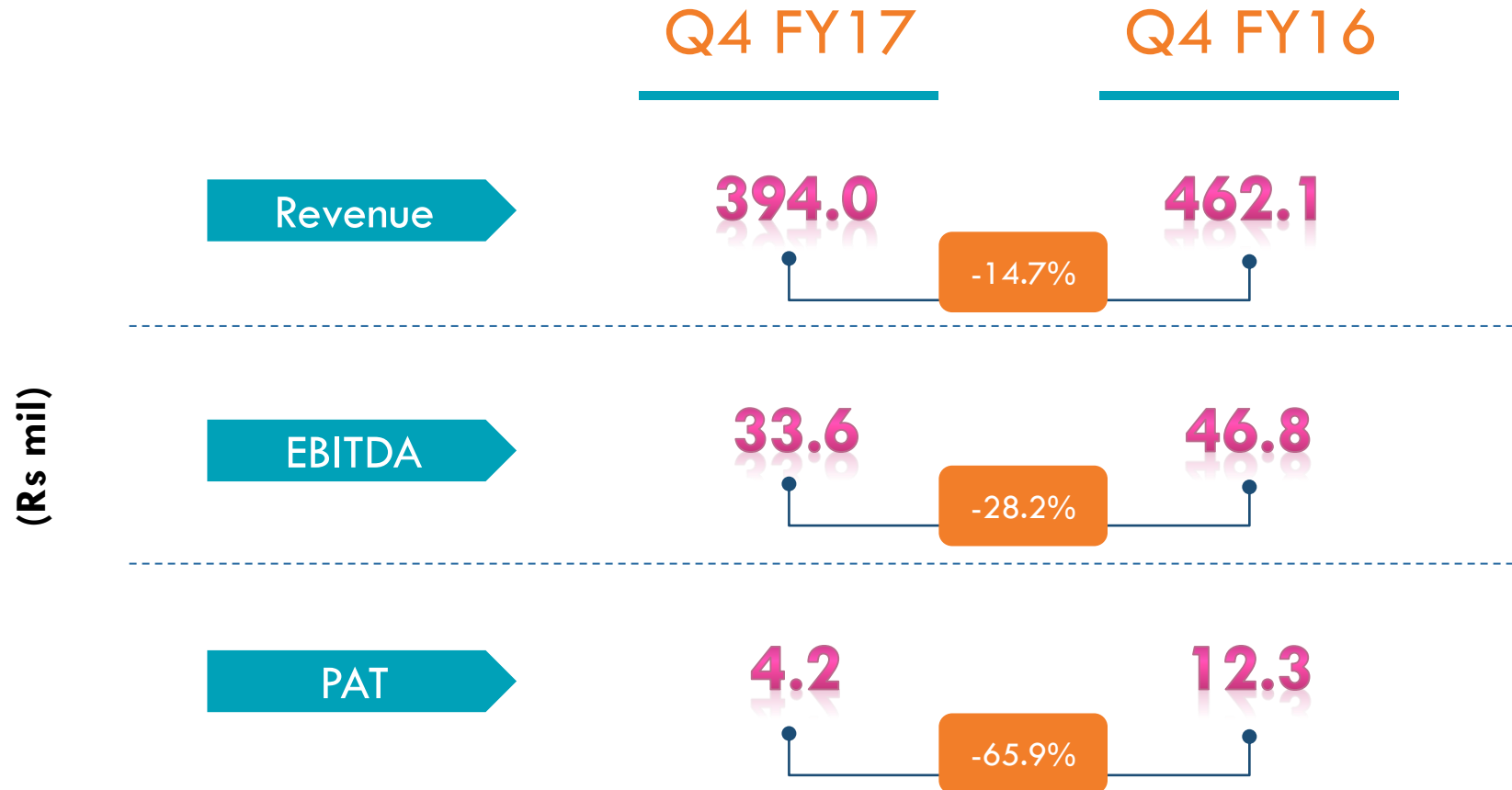
Financial – Q4 & FY17 Performance



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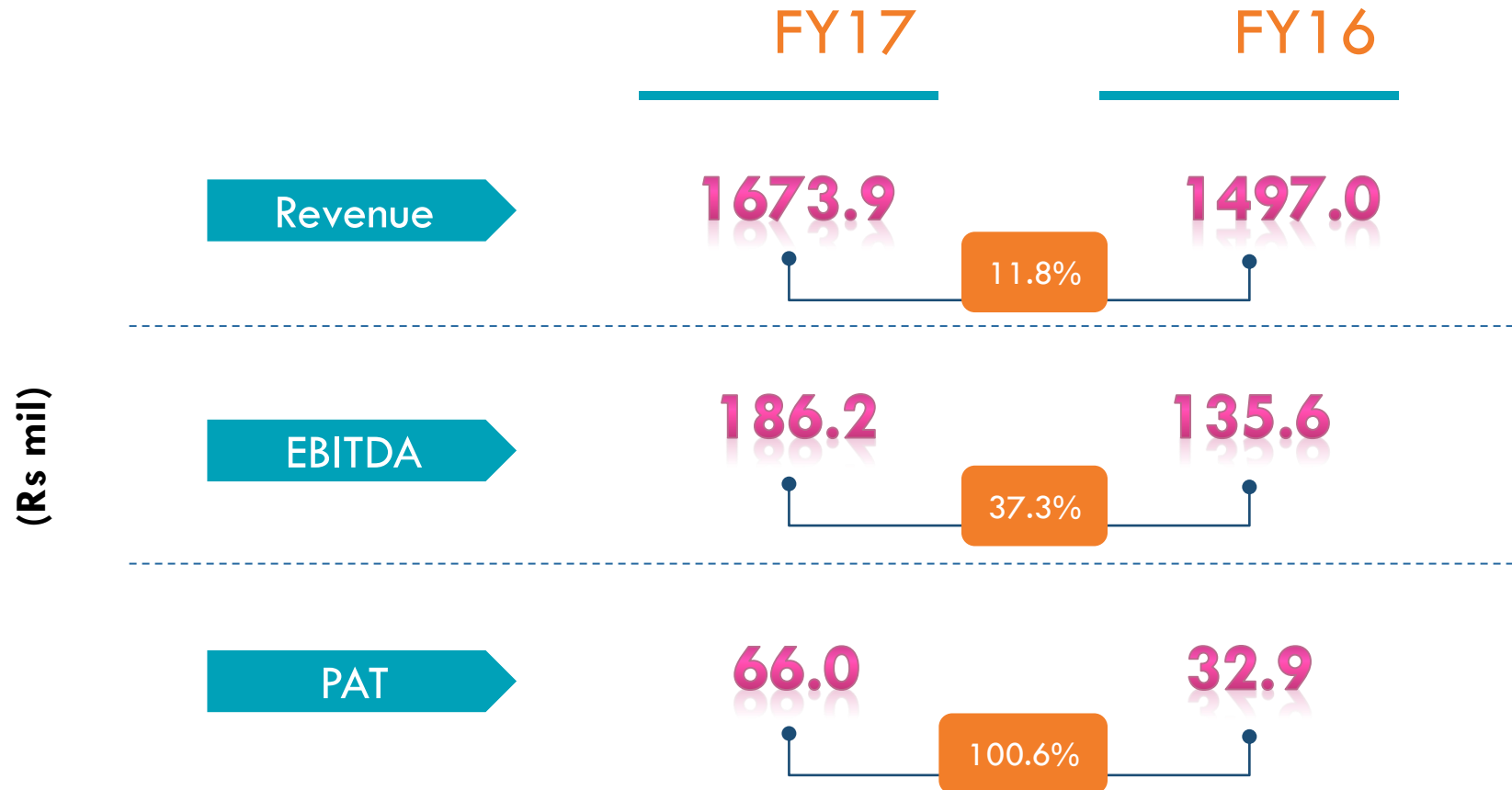


P&L Snapshot



- **Topline impacted owing to deferment of capex by customers impacted largely by demonitisation**
- **Unexpected increase in raw material prices has led to decrease in bottom-line**

P&L Snapshot



Balance Sheet Snapshot – As on 31st Mar. 2017

408.9



Networth

405.7



Fixed Assets

57.6



Cash & Investments

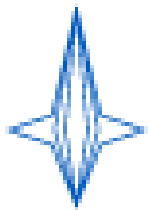
54.4



Net Debt

(Rs mil)

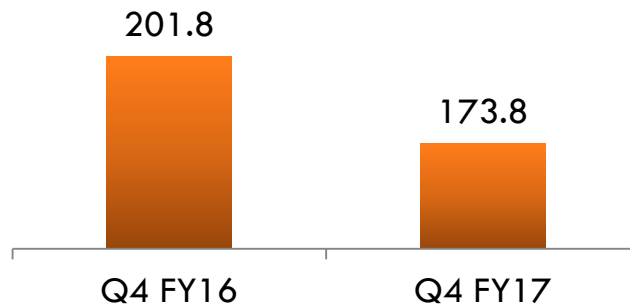
Business Overview – Pre-fabricated buildings



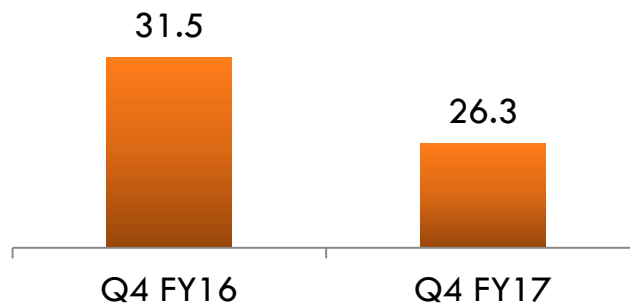
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Pre-fabricated Business

Revenue



EBIT



(Rs mil)

Comments on performance

- Marginal hit in the revenue mainly due to customers postponing orders but have not cancelled projects
- Significant opportunity from government and non-government entities during the quarter, however demonetization affect has caused a temporary slowdown leading to orders being deferred
- Some new orders from earlier untapped geographies, have spilt over into Q1 & Q2 FY18

Pre-fabricated buildings

- 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
- Strong balance sheet to support strategic acquisitions going forward
- Quikbuild business gaining traction:
 - Quikbuild now approved by CPWD and one school project tendered by Delhi Municipal Corporation currently being executed. Other government projects include construction of police barracks with Quikbuild in Bihar and supply of Quikbuild materials for a school construction project in Odisha

Growth Drivers

- Growing awareness of the cost effectiveness of pre-fabricated structures
- Better resilience than the traditional cement structures leading to increasing order growth
- Looking at franchisee model for Quikbuild to aide faster scale up
- 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

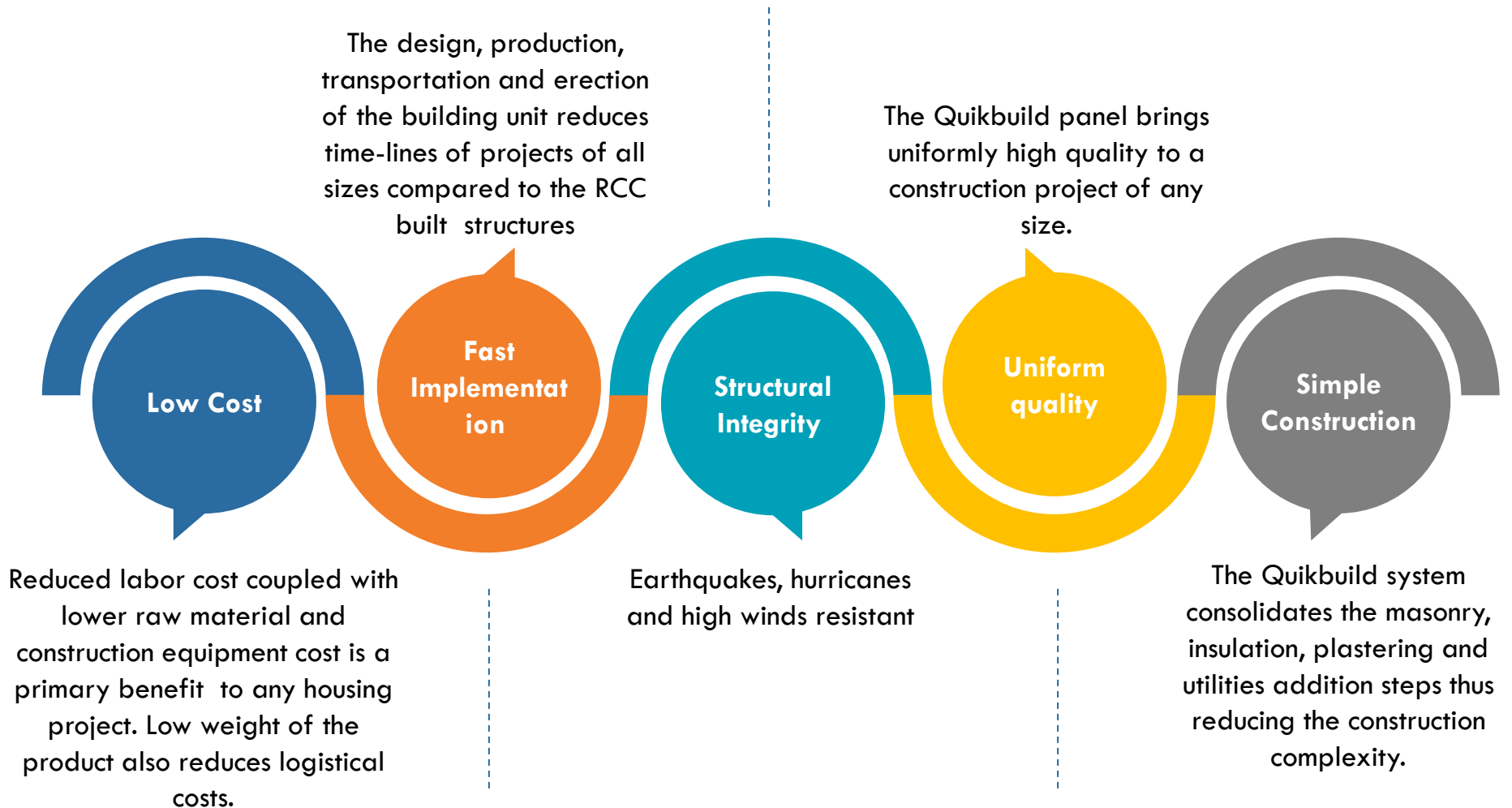


- Student Housing
- Worker housing
- Refugee housing
- Housing for military personnel etc



- 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



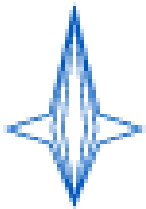
Completed Projects - I



Completed Projects - II



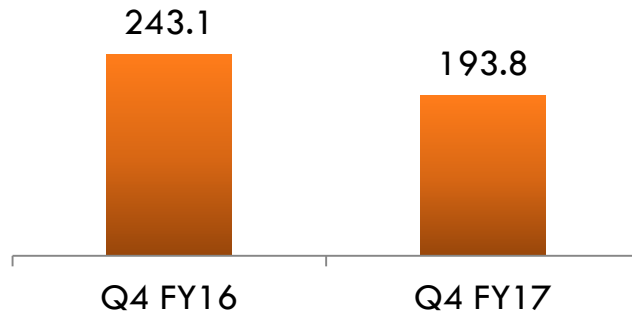
**Business
Overview –
Packaging &
Molded Products
Business
(Consumer
Durables)**



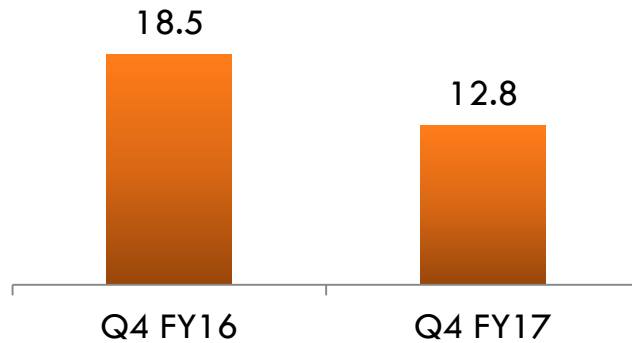
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Packaging & Molded Products Business

Revenue



EBIT



(Rs mil)

Comments on performance

- Strong relationships built over years with several leading consumer durable players
- Focus on reducing sensitivity to crude price volatility

- 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

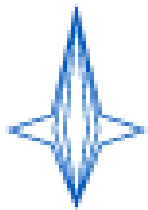
- Institutional customers are expected to expand their production capacities over the next 3 years – Beardsell expected to pick up a major share of their increased EPS requirements
- New client addition from sectors untapped earlier will be another key driver for growth
- Consistently increasing volumes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

Packaging & Molded Products Business

- 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



Growth Drivers



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Driving Organizational Growth

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

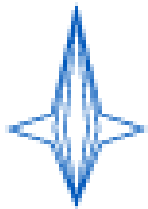
Packaging

- 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

Financial Overview



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Financials – Income Statement

Particulars (Rs mn)	FY14	FY15	FY16	FY17
Net Sales	1,061.2	1,418.2	1,608.4	1,904.3
EBITDA	57.1	73.4	123.2	178.1
EBITDA Margin	5.4%	5.2%	7.7%	9.4%
EBIT	34.8	38.1	85.7	124.6
Interest	23.8	50.7	58.0	55.9
Tax Expense	7.3	0.5	18.5	42.1
Net Profit	12.9	(1.0)	31.4	48.1
Earnings Per Share (Rs.)	2.8	(0.2)	6.7	10.3

Figures for FY15 & FY16 are consolidated

Financials – Balance Sheet Performance

Particulars (Rs mn)	FY14	FY15	FY16	FY17
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUND:				
(a) Share Capital	46.8	46.8	46.8	46.8
(b) Reserves and Surplus	285.7	282.8	307.4	347.7
Shareholders fund	332.5	329.6	354.2	394.5
NON-CURRENT LIABILITIES				
(a) Long-term borrowings	125.6	154.4	190.0	169.7
(b) Deferred tax liability (net)	18.4	18.6	21.5	22.4
(c) Other long term liabilities	0.9	0.3	1.4	1.9
(d) Long-term provisions	11.6	12.8	14.0	8.3
Non current Liabilities	156.5	186.1	227.0	202.3
CURRENT LIABILITIES				
(a) Short-term borrowings	117.7	174.0	146.6	155.2
(b) Trade Payables	186.8	263.9	343.3	349.4
(c) Others current liabilities	37.1	65.5	79.1	80.4
(d) Short-term Provisions	9.4	7.5	1.7	28.0
Current liabilities	350.9	511.1	570.7	613.0
TOTAL	839.9	1027.0	1152.1	1209.8

Particulars (Rs mn)	FY14	FY15	FY16	FY17
ASSETS				
NON-CURRENT ASSETS:				
(a) Tangible Assets	399.5	433.1	508.6	514.6
(b) Work In Progress	18.9	33.9	19.9	13.4
(c) Intangible Assets	-	-	-	-
(d) Goodwill on consolidation	-	22.1	24.2	24.2
(d) Non-current investments	2.6	2.6	2.6	2.6
(e) Long term loans and advances	34.5	34.2	24.5	16.1
(f) Other non-current assets	-	-	-	-
Non current Assets	455.5	526.0	579.9	570.9
CURRENT ASSETS:				
(a) Inventories	80.3	122.7	137.9	118.8
(b) Trade receivable	208.3	264.4	288.9	362.1
(c) Cash and cash equivalents	68.3	53.1	52.6	48.0
(d) Short term loans & advances	27.5	60.1	80.8	73.7
(e) Other current assets	0.1	0.6	11.9	36.3
Current Assets	384.5	501.0	572.1	638.9
TOTAL	839.9	1,027.0	1,152.1	1209.8

Figures for FY15 & FY16 are consolidated

Contact Details

For more information contact:

Gavin Desa / Rabindra Basu

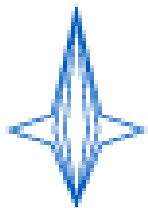
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Thank you



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