

# BEARDSELL LIMITED

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E-mail : ho@beardsell.co.in  
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Sec : February: 2018

28<sup>th</sup> February, 2018

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

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

Scrip Code: BEARDSELL

Scrip Code: 539447

Dear Sir

Investor brief received from Citigate Dewe Rogerson Communications Private Limited is enclosed for your information - ( Q3 fy-2017-2018 earnings presentation )

Thanking You

Yours faithfully,  
For BEARDSELL LIMITED

K Murali  
Company Secretary



**BRANCHES :** AHMEDABAD - BANGALORE - CHENNAI - COIMBATORE - HYDERABAD - KOCHI  
MUMBAI - NEW DELHI - VISAKHAPATNAM



BEARDELL LIMITED



December - 2017

**Q3&9M FY18**  
**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.



**Q3&9M FY18  
Performance**

**Growth  
Drivers**

**Business  
Overview**

**Financial  
Overview**

## Pre-fab continuing to gain traction

- We are seeing a good traction in our order enquiry pipeline
  - Witnessing some delay in receiving orders from customers end
- Quikbuild now approved by CPWD and various state PWDs
- Received multiple orders for Quikbuild for mortuary buildings from Karnataka state government; total expected orders approx. 2,500
- Launched authorized contractor/licensee program to scale up Quikbuild implementation
- Steel fire-rated/clean room door manufacturing commenced operations at the Karad facility
  - Capex already incurred in Q1/Q2 FY18
- Sales of steel doors have commenced: Target of Rs. 25 cr sales from steel door product line in FY19

## Packaging – steady performance

- Expanding & deepening relationship with leading consumer durable players – Godrej & Boyce, Haier
- Subsidiary unit in Supa, Maharashtra expected to boost profitability starting Q3 FY18, unit volumes expected to increase 50% by Q4FY18. Supa subsidiary

profitability should approx. equal all other EPS units combined (post-tax) by Q1 FY19

## Entry into new geographies

- J&K project – IIT Jammu (Partition walls); Uttarakhand villas; Madhya Pradesh villas project
- Starting a factory in Delhi to cater to the Quikbuild projects in the North Indian region

## Development of Thane land

- Exploring various options of monetizing Thane land
  - Outright sale
  - JV development or self-develop to realize approx. 4.4 lakh sq. ft. of super-built up area

## Prefab outlook promising

- **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
  - Affordable housing will be exempt from GST and will therefore be less expensive under the GST regime
  - ITC now available for all our pre-fab products – huge reduction in tax incidence, especially for our corporate customers
- To speed up construction of houses under Pradhan Mantri Awas Yojana, PM has asked Ministry for Urban Development to look at 3D construction technology in 25 major cities
- Large Govt and Private sector enquiries in pipeline

# Managing Director's Comments

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

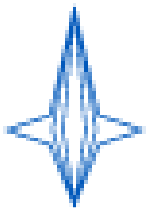
*“While the environment has improved we continue to see some delays in receiving orders. We expect these orders to get delayed to the subsequent quarters.*

*Given the election bound states we are expecting large orders post elections for a low cost housing projects, clinics/mortuaries, sanitation blocks where we qualify on technical parameters with strong references*

*Our packaging business has grown at a healthy pace with increasing contribution from our existing customers. We are also undertaking cost reduction steps to improve margins*

*We remain optimistic on the prospects of both our Prefab and Packaging businesses”*

# Financial – Q2&H1 FY18 Performance

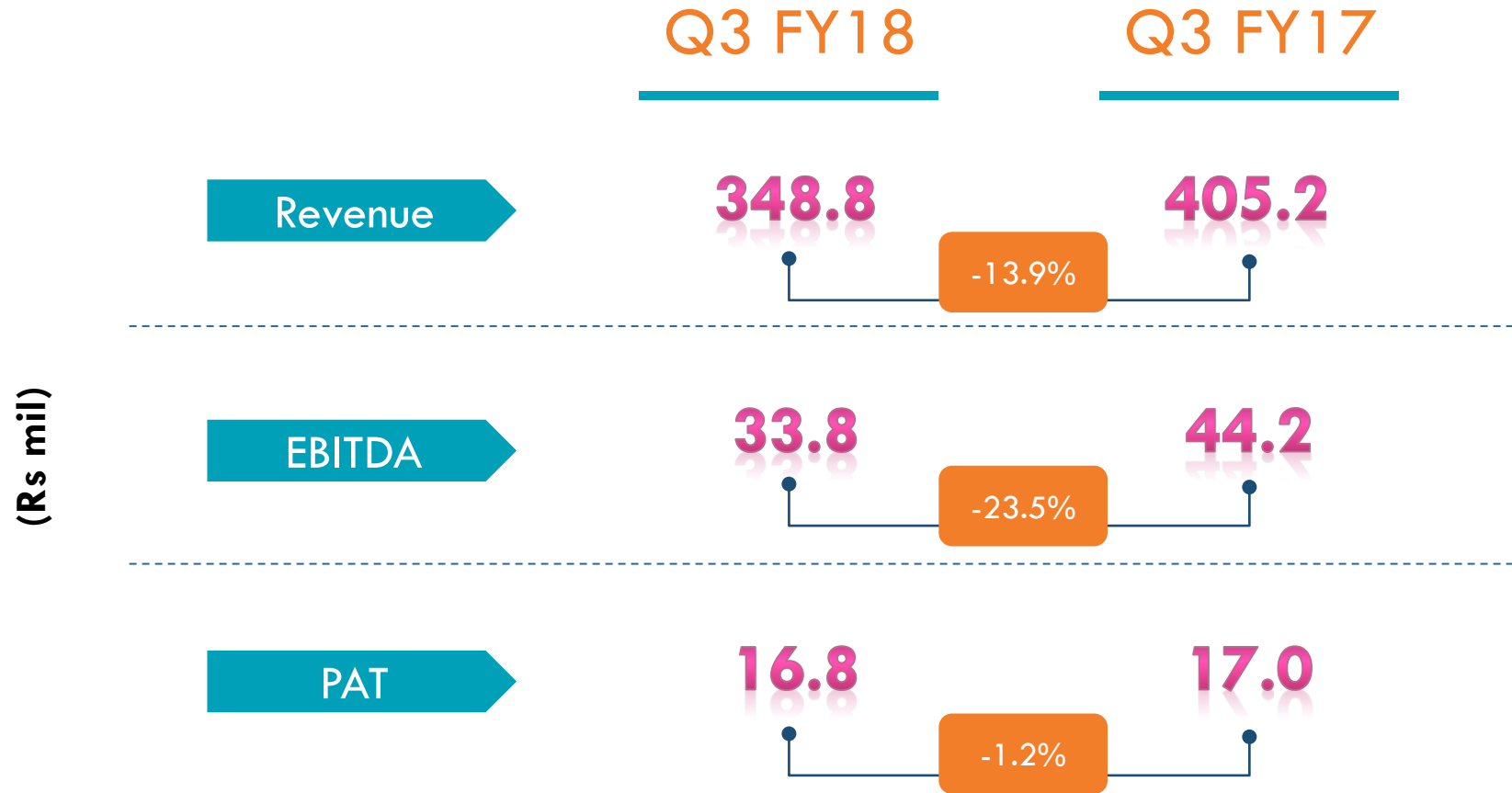


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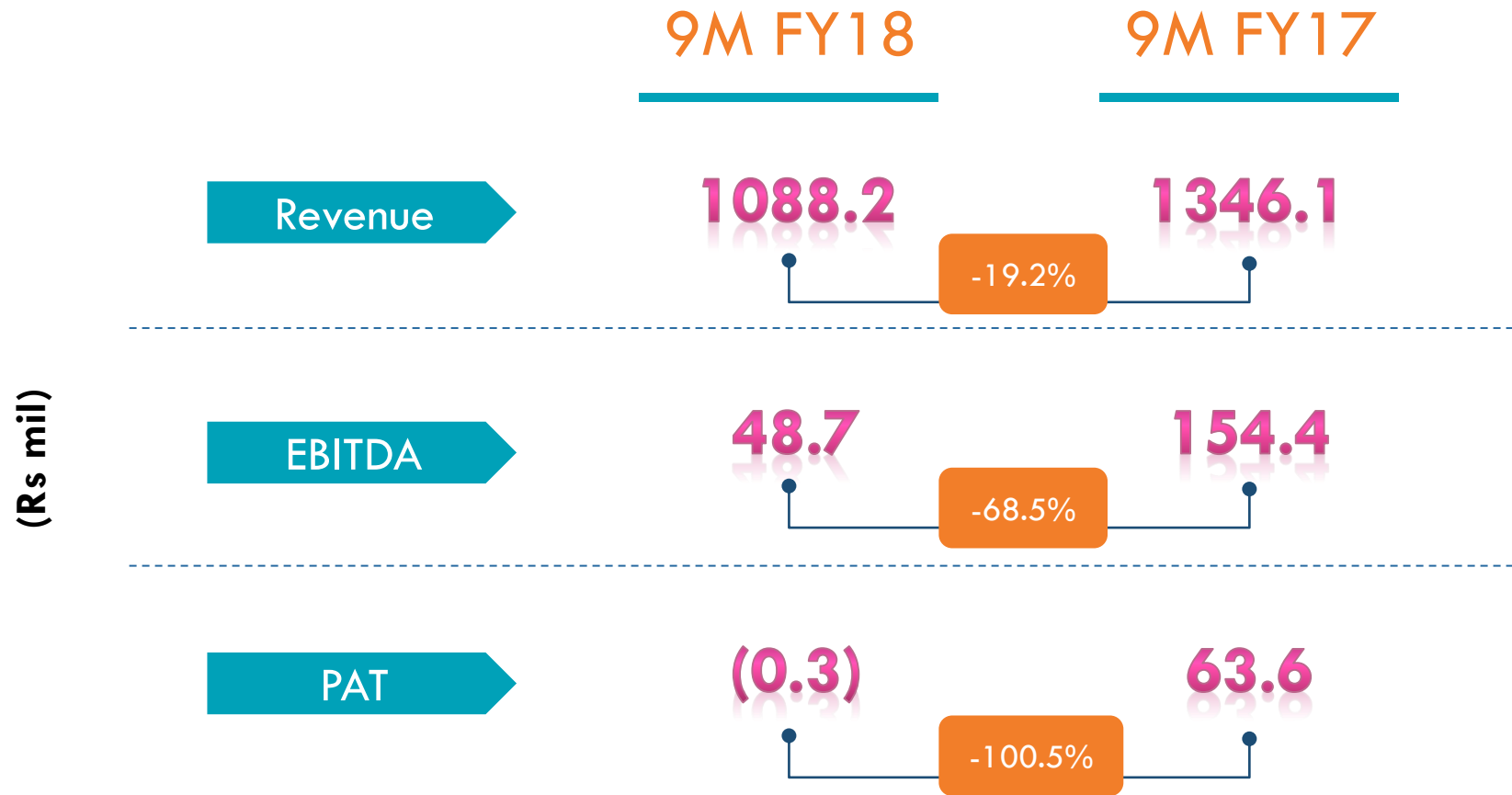


# P&L Snapshot



- **Topline impacted owing to deferment of capex by customers impacted largely by demonetisation and GST implementation**

# P&L Snapshot



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# P&L Snapshot

Reconciliation between the results reported under previous Generally Accepted Accounting Principles(IGAAP) and Ind AS are summarised below:

Particulars (Rs mn)	Quarter Ended			Year Ended
	30-Dec-17 (Unaudited) Ind AS	30-Sep-17 (Unaudited) Ind AS	30-Dec-16 (Unaudited) Ind AS	31-Mar-17 (Audited)
Revenue from operations	349	359	405	1,904
Profit before tax	15	(11)	26	90
Profit after tax	17	(10)	17	48
Total comprehensive income	(1)	2	-	-

# Balance Sheet Snapshot – As on 31<sup>st</sup> December. 2017

408



Networth

367



Fixed Assets

59



Cash & Investments

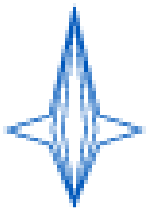
18



Net Debt

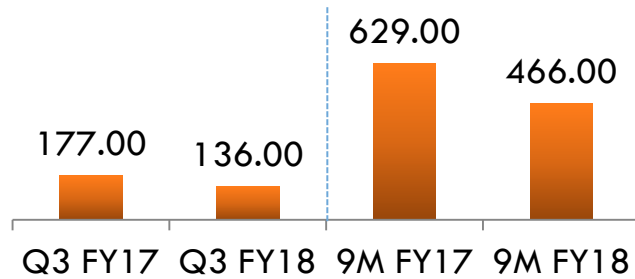
(Rs mil)

# Business Overview – Pre-fabricated buildings

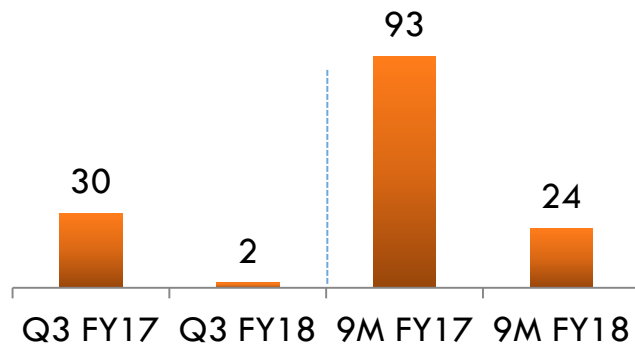


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## Revenue



## EBIT



(Rs mil)

## Comments on performance

- Marginal hit in revenues mainly due to customers postponing orders – no project cancellations though
- Export order in pipeline for West Africa expected in Q1FY19
- Started manufacturing own machinery for Quikbuild which will lead to savings in capex cost
- Quikbuild enquiries in negotiation stage for various large projects: Villas, anganwadis, clinics/mortuaries, sanitation blocks – totaling Rs. 1,000 million
  - Witnessing some delay from customer end and likely to receive the same in the next year

# 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:
  - We expect Quikbuild to maintain its momentum
  - Large orders under negotiation witnessing some delay

## Growth Drivers

- Growing awareness of the cost effectiveness of pre-fabricated structures
- Launched franchisee/authorized licensee model for Quikbuild to scale up implementation
- Isobuild projects gaining acceptance in government agencies resulting in follow-on orders
- Emphasis from the PM to use 3D technology to construct affordable homes for the smart cities
- Focusing on clients/projects with assured payment terms and good margins.
- Major focus on southern states

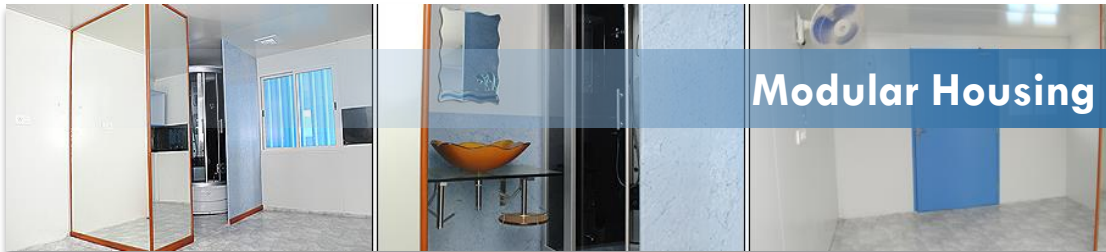
# Pre-fabricated Product Offerings



- 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



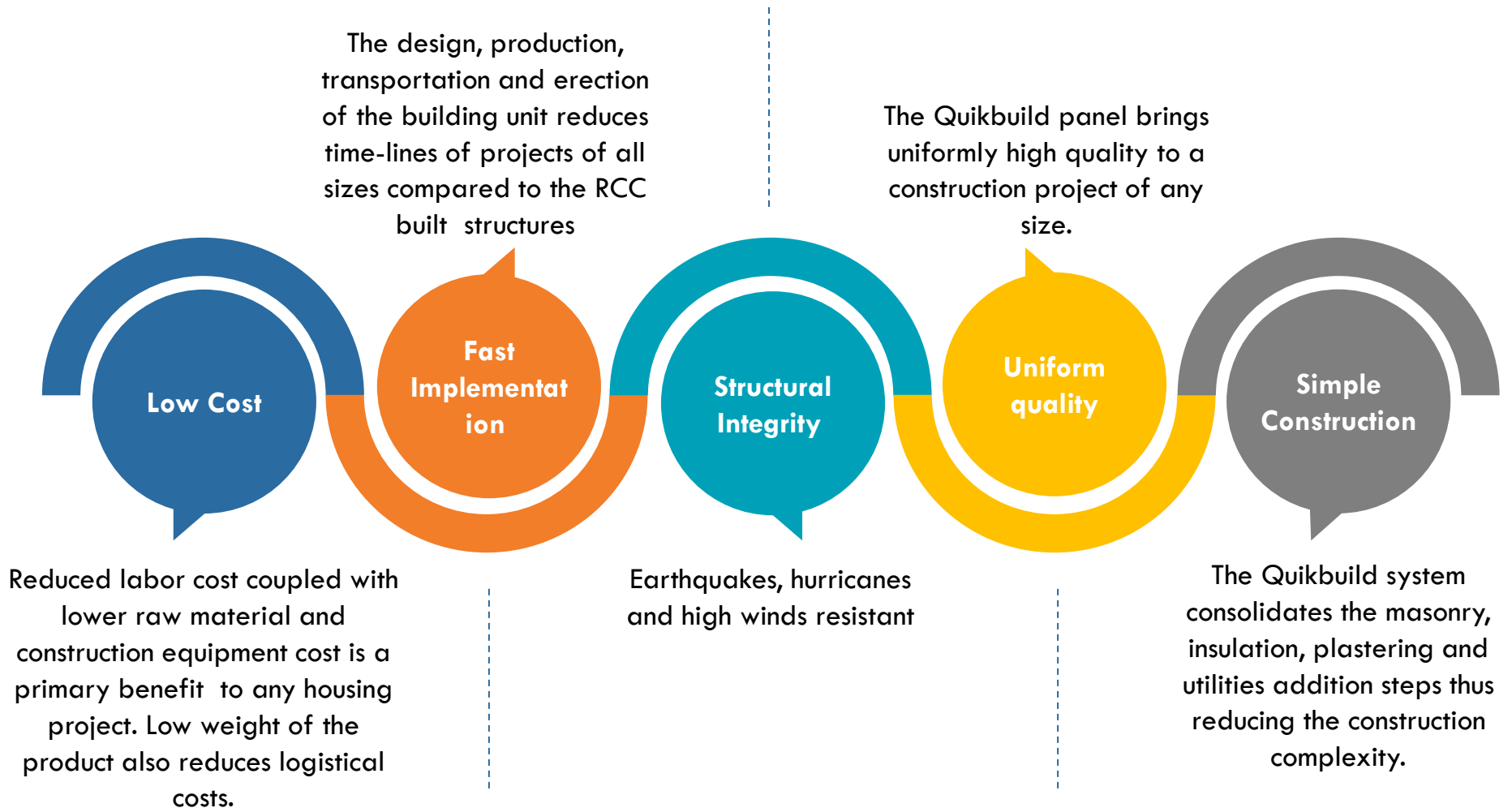
- Student Housing
- Worker housing
- Refugee housing
- Housing for military personnel etc



- 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



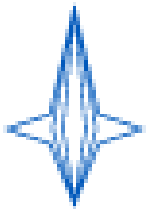
# Completed Projects - I



# Completed Projects - II



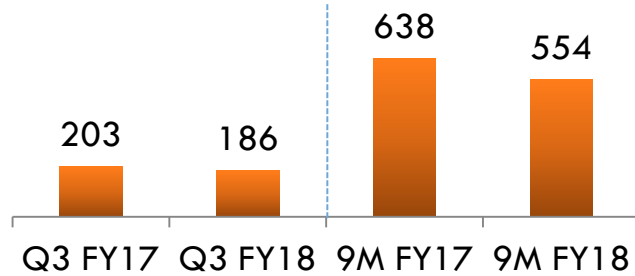
**Business  
Overview –  
Packaging &  
Molded Products  
Business  
(Consumer  
Durables)**



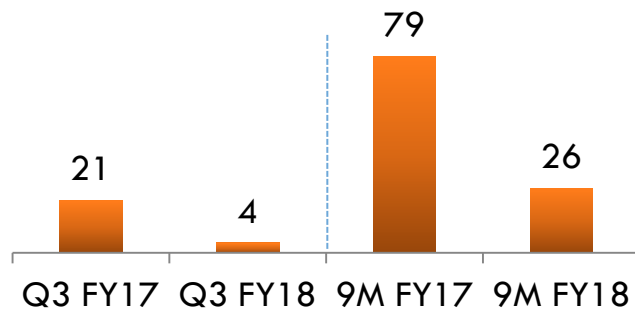
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# Packaging & Molded Products Business

## Revenue



## EBIT



(Rs mil)

## Comments on performance

- Strong relationships built over years with several leading consumer durable players
- Focus on cost reduction to improve margins
- Increasing revenues from existing large customers – Haier & Godrej
- Started flexible foam business – seat cushions, other custom flexible PU products

- 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

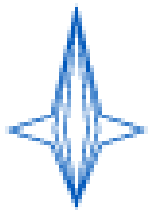
- Institutional customers are expected to expand their production capacities over the next 3 years – Beardsell expected to pick up a major share of their increased EPS requirements
- New client addition from sectors untapped earlier will be another key driver for growth
- Consistently increasing volumes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

- 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

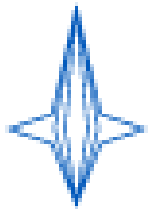
## Packaging

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

**Figures for FY15, FY16 & FY17 are consolidated**

# Financials – Balance Sheet Performance

Particulars (Rs mn)	FY14	FY15	FY16	FY17
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS' FUND:</b>				
(a) Share Capital	46.8	46.8	46.8	46.8
(b) Reserves and Surplus	285.7	282.8	307.4	347.7
<b>Shareholders fund</b>	<b>332.5</b>	<b>329.6</b>	<b>354.2</b>	<b>394.5</b>
<b>NON-CURRENT LIABILITIES</b>				
(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
<b>Non current Liabilities</b>	<b>156.5</b>	<b>186.1</b>	<b>227.0</b>	<b>202.3</b>
<b>CURRENT LIABILITIES</b>				
(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
<b>Current liabilities</b>	<b>350.9</b>	<b>511.1</b>	<b>570.7</b>	<b>613.0</b>
<b>TOTAL</b>	<b>839.9</b>	<b>1027.0</b>	<b>1152.1</b>	<b>1209.8</b>

Particulars (Rs mn)	FY14	FY15	FY16	FY17
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS:</b>				
(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	-	-	-	-
<b>Non current Assets</b>	<b>455.5</b>	<b>526.0</b>	<b>579.9</b>	<b>570.9</b>
<b>CURRENT ASSETS:</b>				
(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
<b>Current Assets</b>	<b>384.5</b>	<b>501.0</b>	<b>572.1</b>	<b>638.9</b>
<b>TOTAL</b>	<b>839.9</b>	<b>1,027.0</b>	<b>1,152.1</b>	<b>1209.8</b>

Figures for FY15, FY16 & FY17 are consolidated

# Contact Details

*For more information contact:*

Gavin Desa / Rabindra Basu

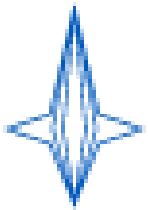
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Thank you



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