



EVEREST INDUSTRIES LIMITED

Q3 & 9M – FY17 EARNINGS PRESENTATION

Company Overview:

Everest Industries Limited, incorporated in 1934, has a rich history in manufacturing of Building products and Steel products. Everest offers a complete range of roofing, ceiling, wall, flooring and cladding products distributed through a large network, and also pre-engineered steel buildings for industrial, commercial and residential applications. It is one of the leading building solution providers in India, providing detailed technical assistance in the form of designs, drawings and implementation for every project.

Business Mix (Revenue Share %):

- **Building products (63%)** – includes fibre cement roofing sheets, fibre cement boards, solid wall panels.
- **Steel buildings (37%)** – offers customised building solutions like Pre-Engineered Steel Buildings, Smart Steel Buildings, metal roofing sheets and cladding.

Manufacturing and Distribution Networks:

- 6 Building Products plants and 3 Steel Building Plants.
- 40 Sales Depot, over 6,000 Dealer Outlets, serving over 600 cities & 100,000 villages.
- Export to over 35 countries (Green solutions – Fibre cement boards).

FY16 Financial Snapshot:

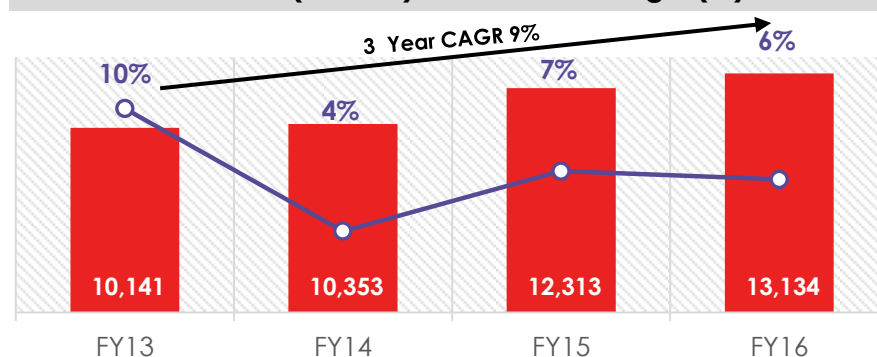
Total Income
INR 13,263 Mn
3 Years CAGR 9%

EBITDA
INR 952 Mn
EBITDA Margins 7.2%

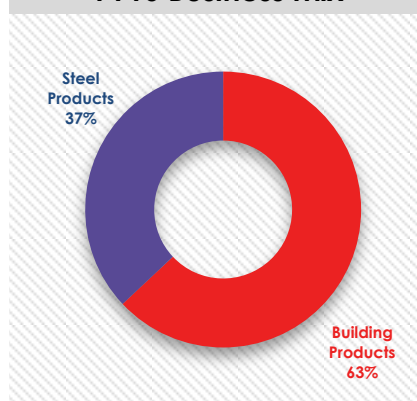
Net Profit
INR 344 Mn
PAT Margins 2.6%

- Everest Industries Limited (Everest) has over 8 decades of experience in the business of building products and is also a pioneer of fibre cement products in India.
- The company's business is built on three key pillars: Speed, Strength and Safety.
- The vision of the company is to be the deepest penetrated housing and building solutions provider in India.
- Everest provides building products and building solutions for commercial, industrial and residential sectors.
- The company has covered more than 1 billion sq. mtrs. of industrial and residential roofs.
- It has emerged as the 2nd largest Pre-Engineered Buildings (PEBs) company in India, and has erected and designed more than 2,000 PEBs.
- The company has also diversified its product range from roofing to various other value added products like cement boards and panels for ceilings, walls and floorings.

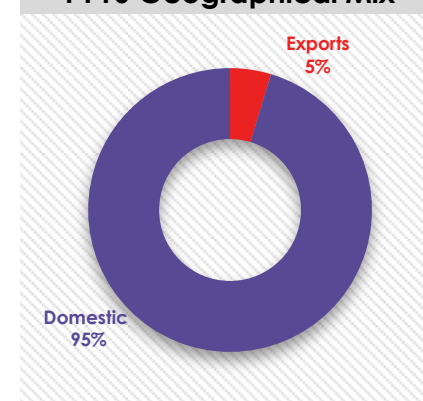
Revenue (INR Mn) and EBITDA Margin (%)



FY16 Business Mix



FY16 Geographical Mix



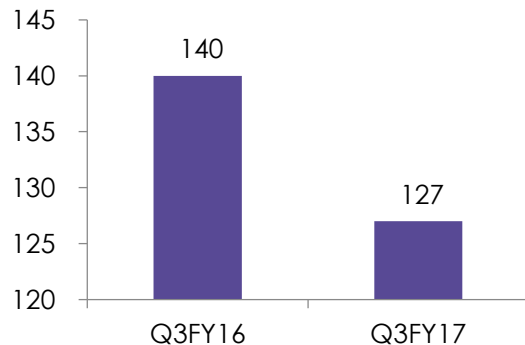
Q3-FY17 Financial Performance

- **Total Income** : INR 2,534 Mn
- **EBITDA** : INR (79) Mn
- **EBITDA Margin** : (3.1)%
- **Net Profit** : INR (140) Mn
- **PAT Margin** : (5.5)%;
- **Diluted EPS** : (9.12) INR

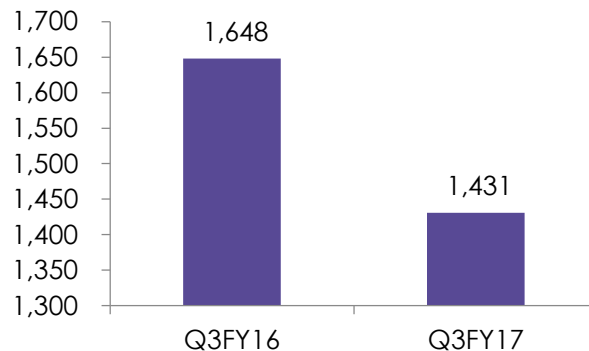
9M-FY17 Financial Performance

- **Total Income** : INR 8,390 Mn
- **EBITDA** : INR 161 Mn
- **EBITDA Margin** : 1.9%
- **Net Profit** : INR (116) Mn
- **PAT Margin** : (1.4)%
- **Diluted EPS** : (7.56) INR

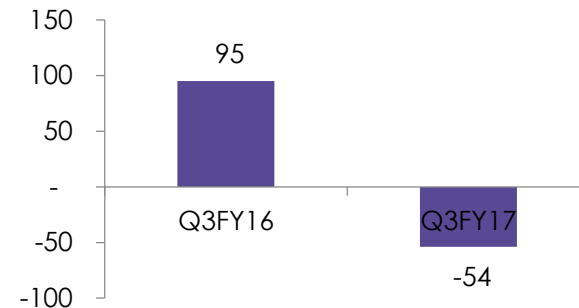
Sales (`000 MT)



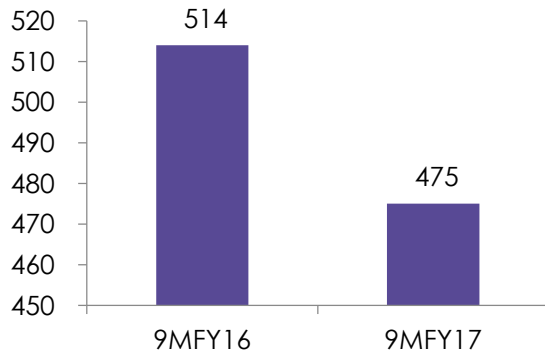
Revenue (INR Mn)



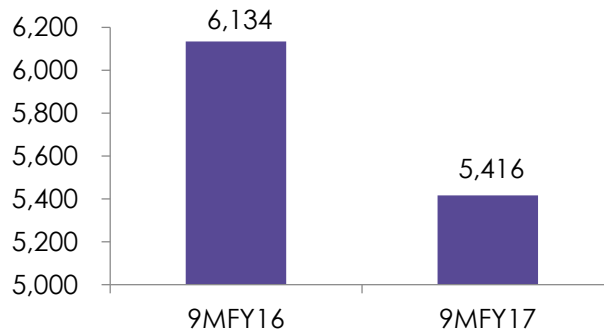
PBIT (INR Mn)



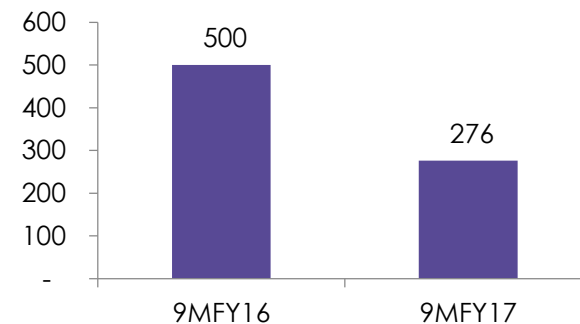
Sales (`000 MT)



Revenue (INR Mn)



PBIT (INR Mn)



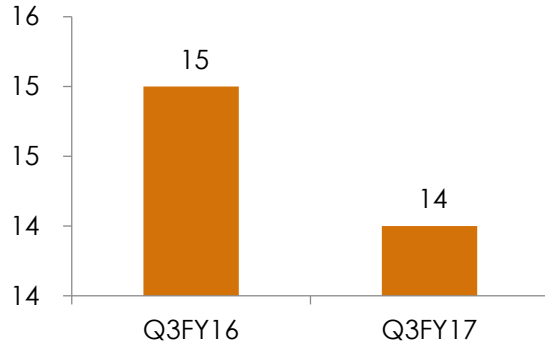
- Demonetization impacted the overall AC roofing industry sales by around 13% and Everest specifically was impacted by around 11% on a year on year basis, major impact was felt in December 2016.
- To counter this impact, the company conducted 30+ dealer meets pan India with an objective to prepare, advise and train them on different types of digital transactions, helping customers with bank transactions and also the eminent implementation of the GST.
- Demonetization impacted retail and project orders in the Boards & Panels as well.
- Boards & Panels de-grew by 5% on a year on year basis, however the situation is now improving and should normalise by the end of the financial year.
- Company has undertaken an exhaustive district wise analysis of the dealer network and will initiate activities to expand the network to cover more districts in the next eighteen months.
- Boards & Panels exports in December improved compared to earlier months but are yet short of last years volumes.

- Buoyant rural economy aided by good monsoons have led to a healthy crop season which will aid demand for the AC roofing products.
- Improvement in the liquidity situation as the effects of demonetization have started normalising.
- Test marketed few new variants of AC Roofing products with an intention to launching them in Q4FY17 – Q1FY18.
- Expected Improvement in demand from Housing, Infrastructure, Healthcare, Educational and Government driven sanitation, smart city and affordable housing for all projects which will aid the Boards & Panels.
- Gradual increase in Customer acceptance towards new age concepts such as Dry walls , steel buildings etc vis-à-vis traditional & conventional system / practices expected to drive Boards & Panels demand.
- Rising awareness about conservation of natural resources, keeping in mind speed, strength and safety.
- Plans of launching new products and designs to enhance Board & Panels portfolio in next one year.
- Increase market penetration by march 2017 by expanding distribution network .
- Undertake various new initiatives to improve marketing and distribution for Boards & Panels.

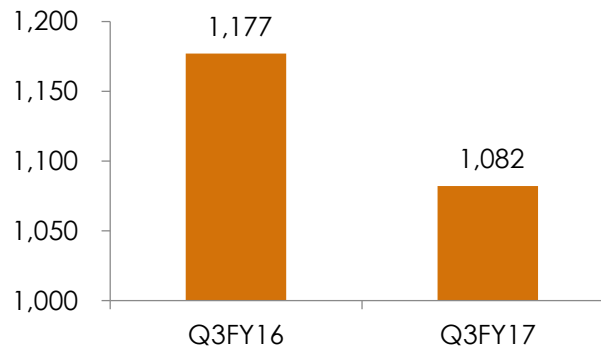
Steel Building Performance



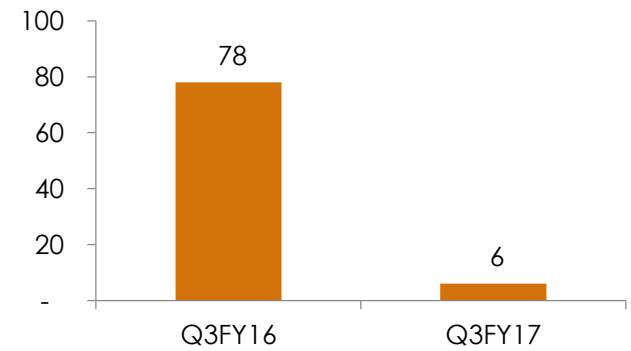
Sales (`000 MT)



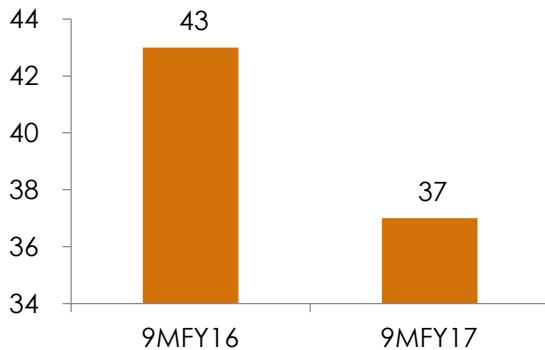
Revenue (INR Mn)



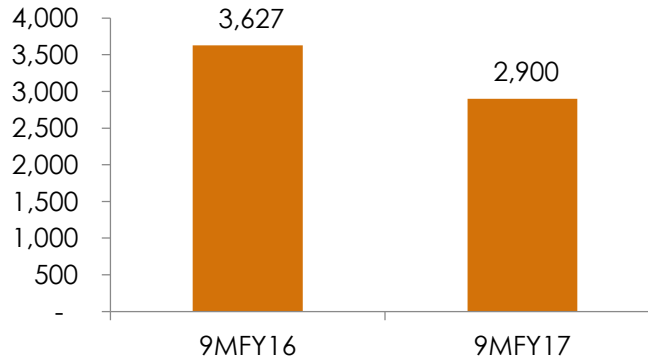
PBIT (INR Mn)



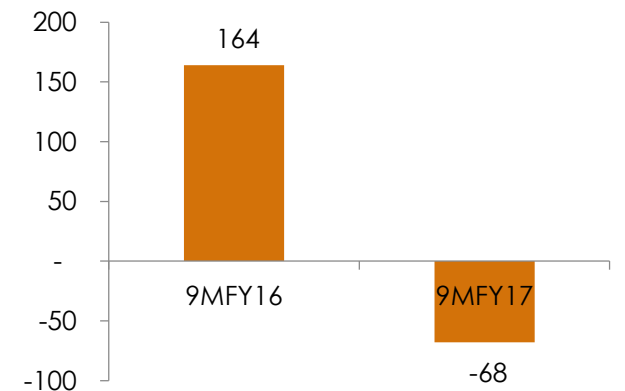
Sales (`000 MT)



Revenue (INR Mn)



PBIT (INR Mn)

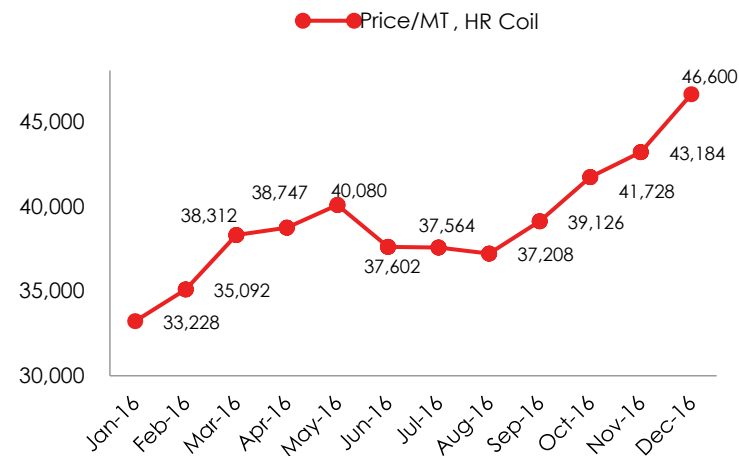


Key Operational Highlights

- Steel Price rise has negatively impacted the revenue for this quarter as Input prices rose by 20% between October and December 2016 and by 40% between January 2016 to December 2016.
- Fixed price PEB contracts could not be renegotiated and had to be executed at higher RM price inputs.
- Demonetization impact resulted in marginal postponement of projects.

Way Forward

- The demand scenario continues to remain healthy.
- Current order book in the PEB segment is strong at 34,000 MT.
- The company is working towards enhancing the utilization levels across the plants.
- Rising steel prices remain a concern, increased focus on price clauses.
- Improvement in project completion and acceptability rate with customers.





Emami Cement Ltd (Rasda)



Badve Engineering Ltd (Indore)



Exide Industries Ltd (Hossur)



Delhi Police (New Delhi)



HCL Technologies (Lucknow)

Q3 & 9M- FY17 – Standalone Income Statement



Income Statement (INR MN)	Q3-FY17	Q2-FY17	Q3-FY16
Total Income*	2,534	2,290	2,837
Total Expenses	2,613	2,329	2,678
EBITDA	(79)	(39)	159
EBITDA Margin	(3.1)%	(1.7)%	5.6%
Depreciation	57	64	62
Finance Cost	61	47	64
PBT	(197)	(150)	33
Tax	(57)	(56)	5
Profit After Tax	(140)	(94)	28
PAT Margin	(5.5)%	(4.1)%	1.0%
EPS (INR Diluted)	(9.12)	(6.09)	1.80

Particulars	9M-FY17	9M-FY16
Total Income*	8,390	9,874
Total Expenses	8,229	9,162
EBITDA	161	712
EBITDA Margin	1.9%	7.2%
Depreciation	188	194
Finance Cost	153	178
PBT	(180)	340
Tax	(64)	106
Profit After Tax	(116)	234
PAT Margin	(1.4)%	2.4%
EPS (INR Diluted)	(7.56)	15.27

Historical Income Statement – Standalone (INR Mn)



Particulars	FY13	FY14	FY15	FY16	9MFY17
Total Income*	10,229	10,476	12,410	13,263	8,390
Total Expenses	9,163	9,954	11,486	12,303	8,229
EBITDA	1,066	522	924	960	161
EBITDA Margin	10.4%	4.9%	7.5%	7.2%	1.9%
Depreciation	220	267	254	256	188
Finance Cost	56	126	187	191	153
PBT	789	129	483	513	(180)
Tax	264	38	141	160	(64)
Profit After Tax	525	91	342	353	(116)
PAT Margin	5.2%	0.9%	2.8%	2.7%	(1.4)%
EPS	34.7	6.02	22.45	23.00	(7.56)

*Total income includes other income

Historical Balance Sheet – Standalone (INR Mn)



EQUITIES & LIABILITIES	FY14	FY 15	FY16	H1 FY17	ASSETS	FY14	FY15	FY16	H1 FY17
Shareholder Funds					Non Current Assets				
Share Capital	152	153	154	154	Tangible Assets	2,692	3,138	3,472	3,441
Reserves & Surplus	2,793	3,044	3,320	3,345	(Intangible Assets	126	71	25	
Total -Shareholder Funds	2,945	3,197	3,474	3,499	Capital Work In Progress	610	303	18	
					Non-current investments	6	77	279	279
Non Current Liabilities					Long term loans & advance	745	871	610	660
Long Term Borrowings	513	948	1,182	1176	Other non-current assets	3	34	32	30
Deferred Tax Liabilities (Net)	283	295	323	304					
Other Long Term liabilities	-	0	0	0	Total - Non – Current Assets	4,182	4,494	4,436	4,410
Long Term provisions	61	60	46	47					
Total - Non – Current Liabilities	857	1,303	1,551	1,527	Current Assets				
Current Liabilities					Inventories	2,421	2,718	2,525	2,462
Short term Borrowings	1,655	1,857	1,125	952	Trade Receivables	807	1,043	1,131	899
Trade Payables	1,229	1,322	1,729	1,498	Cash & Bank Balances	251	636	521	442
Other Current Liabilities	1,292	1,352	1,161	1,257	Short-term loans & advances	608	598	720	706
Short-term provisions	297	469	302	197	Other current assets	6	11	9	11
Total – Current Liabilities	4,473	5,000	4,317	3,904	Total – Current Assets	4,093	5,006	4,906	4,520
GRAND TOTAL - EQUITIES & LIABILITIES	8,275	9,500	9,342	8,930	GRAND TOTAL – ASSETS	8,275	9,500	9,342	8,929

Historical Income Statement – Consolidated (INR Mn)



Particulars	FY13	FY14	FY15	FY16
Total Income*	10,229	10,476	12,417	13,263
Total Expenses	9,163	9,955	11,493	12,311
EBITDA	1,066	521	924	952
EBITDA Margin	10.4%	5.0%	7.4%	7.2%
Depreciation	221	267	254	256
Interest	56	126	187	191
PBT	789	128	483	505
Tax	264	38	141	161
Profit After Tax	525	90	342	344
PAT Margin	5.1%	0.9%	2.8%	2.6%
EPS	34.70	5.94	22.46	22.61

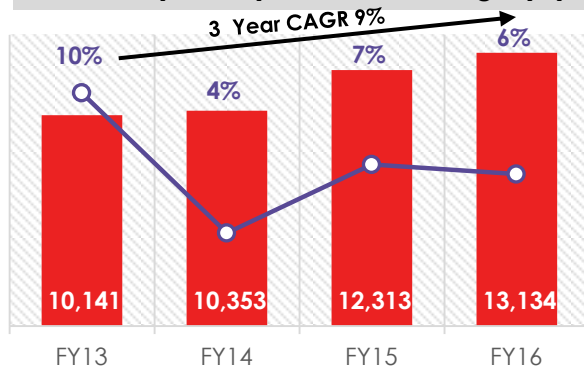
*Total income includes other income

Historical Balance Sheet – Consolidated (INR Mn)

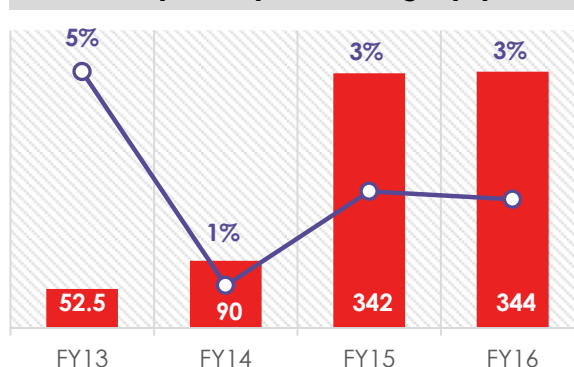


Equity & Liabilities	FY13	FY14	FY15	FY16	Assets	FY13	FY14	FY15	FY16
Shareholder's Funds					Assets				
					Non-Current Assets				
Share Capital	152	152	153	154	Fixed Assets				
Reserves and Surplus	2,747	2,792	3,042	3,312	Tangible Assets	2,065	2,691	3,138	3,478
Minority Interest	-	-	-	9	Intangible Assets	49	126	71	25
Total Shareholder's Fund	2,899	2,944	3,195	3,475	Capital Work-in-Progress	371	610	322	94
					Investments	0	0	0	0
Long-Term Borrowings	591	513	948	1,182	Long-Term Loans and Advances	433	745	874	621
Deferred Tax Liabilities (Net)	246	283	295	323	Other Non-Current Assets	1	3	34	32
Long-Term Provisions	75	61	60	45	Total Non Current Assets	2,919	4,176	4,438	4,250
Non-Current Liabilities	912	857	1,303	1,550					
					Inventories	2,542	2,421	2,718	2,525
Short-Term Borrowings	952	1,656	1,857	1,125	Trade Receivables	523	807	1,043	1,131
Trade Payables	1,089	1,229	1,322	1,731	Cash and Cash Equivalents	529	255	679	633
Other Current Liabilities	959	1,292	1,352	1,161	Short-Term Loans and Advances	487	610	610	796
Short-Term Provisions	202	297	470	302	Other Current Assets	13	5	10	9
Current Liabilities	3,202	4,473	5,000	4,320	Total Current Assets	4,094	4,099	5,060	5,095
TOTAL EQUITY AND LIABILITIES	7,013	8,274	9,498	9,345	TOTAL ASSETS	7,013	8,274	9,498	9,345

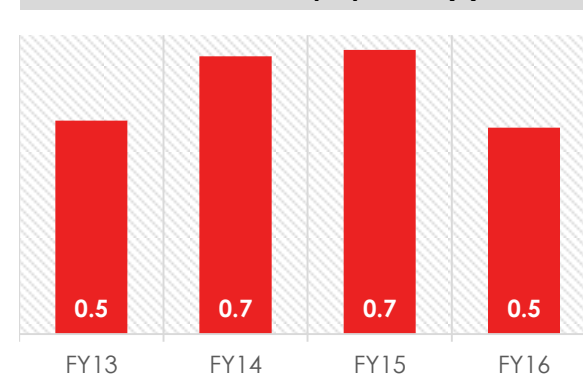
Revenue (INR Mn) and EBITDA Margin (%)



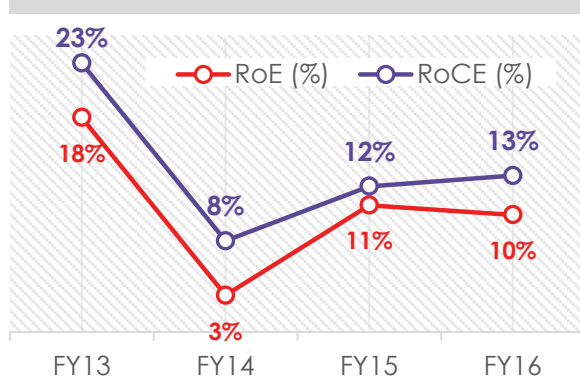
PAT (INR Mn) & PAT Margin (%)



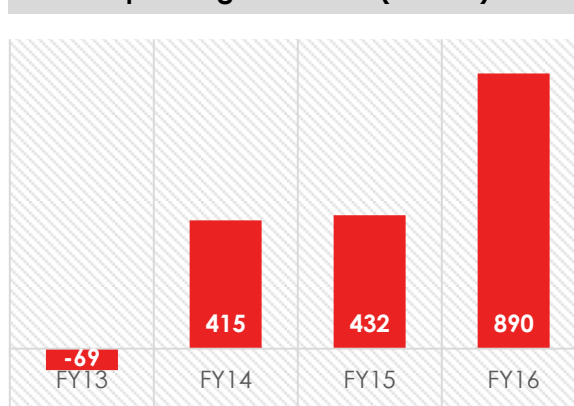
Net Debt to Equity Ratio (x)



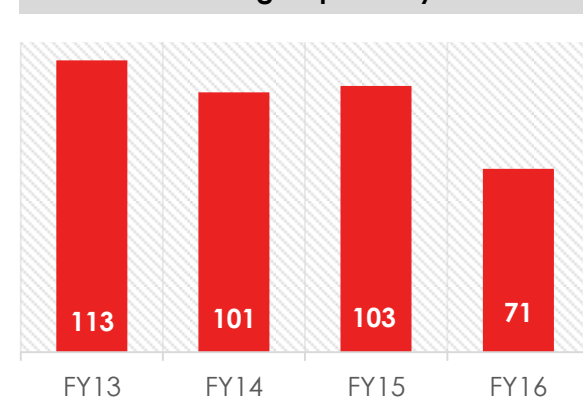
ROE & RoCE



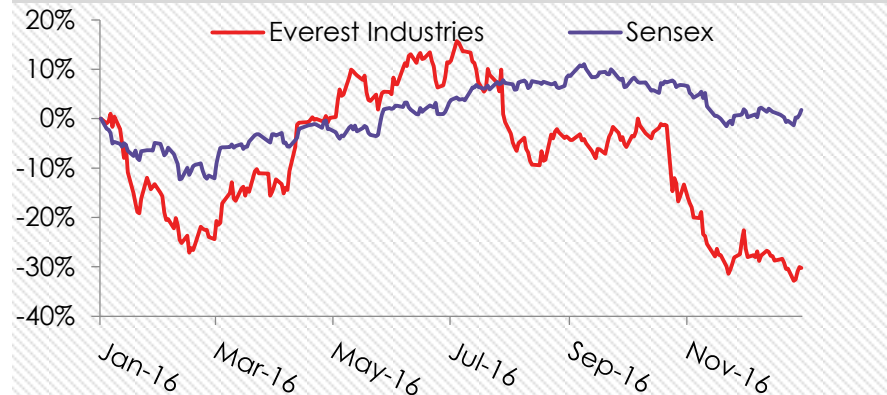
Operating Cash Flow (INR Mn)



Working Capital Days



SHARE PRICE PERFORMANCE (31st DECEMBER, 2016)



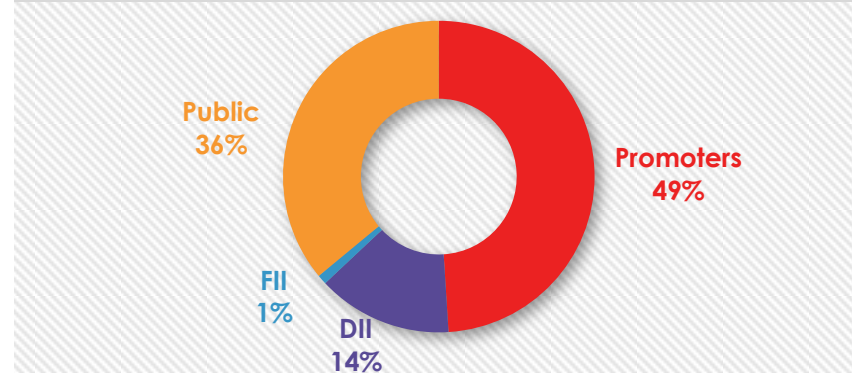
PRICE DATA (AS ON DECEMBER 31st, 2016)

Face Value (INR)	10.00
Market Price (INR)	191.95
52 week H/L (INR)	328/182
Market Cap (INR Mn)	2953.9
Equity Shares Outstanding (Mn)	15.4
12 Month Avg. Trading Volume ('000)	28.3

MARQUEE INSTITUTIONAL INVESTORS (31st DECEMBER, 2016)

SBI Mutual Fund	7.18%
HDFC Mutual Fund	5.86%
Morgan Stanley Asia (Singapore) Pte.	1.04%

SHAREHOLDING PATTERN (31st DECEMBER, 2016)



The earnings call to discuss financial and operational performance for Q3FY17 with Mr. Manish Sanghi, Managing Director and Mr. Nikhil Dujari, CFO will be held on:

- **Date: Monday, 30 January, 2017**
- **Time: 11.00 AM**
- **Primary Dial-in Numbers: +91 22 3960 0763**

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