



EVEREST INDUSTRIES LIMITED

Q1 – FY18 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.

Q1-FY18 Business Mix (Standalone/Revenue Share %):

- **Building products (72%)** – includes fibre cement roofing sheets, fibre cement boards, solid wall panels.
- **Steel buildings (28%)** – 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).

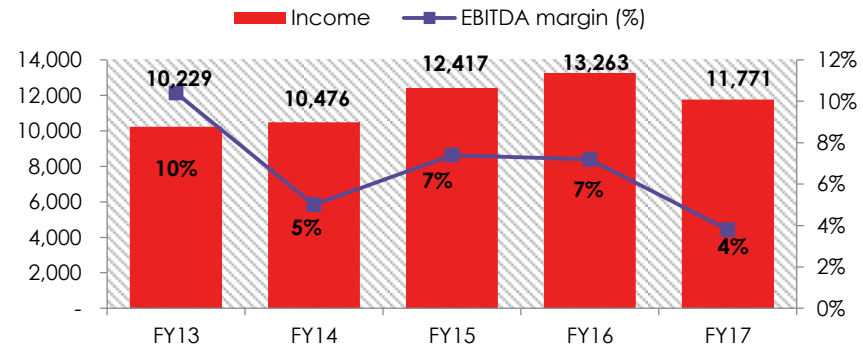
Q1-FY18 Financial Snapshot (Standalone):

Total Income**	EBITDA	Net Profit
INR 3,793 Mn	INR 333 Mn	INR 170 Mn
	EBITDA Margins	PAT Margins
	8.8%	4.5%

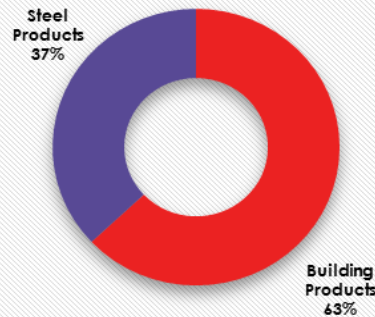
**Total income includes other income

- 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.

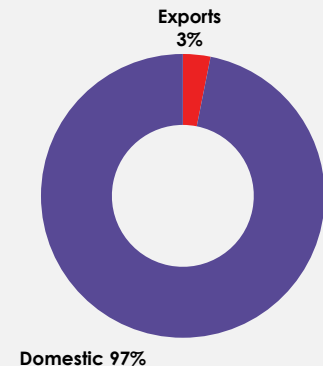
Revenue (INR Mn) and EBITDA Margin (%)*



FY17 Business Mix*



FY17 Geographical Mix*



Key Financial Highlights – Standalone Historical (INR Mn)



	Current Quarter	Previous Quarters			Current Quarter Last Year
Particulars	Q1-FY18 [#]	Q4-FY17	Q3-FY17	Q2-FY17	Q1-FY17 [#]
Total Income*	3,793	3,255	2,534	2,290	3,797
EBITDA	333	301	(79)	(39)	279
EBITDA Margin (%)	8.78	9.2	(3.1)	(1.7)	7.35
Net Profit	170	141	(140)	(94)	118
PAT Margin (%)	4.48	4.3	(5.5)	(4.1)	3.11
Diluted EPS (INR per share)	11.35	9.14	(9.12)	(6.09)	7.66

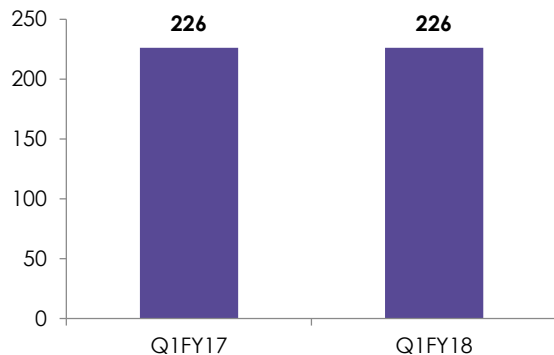
* Total income includes other income.

[#] Q1-FY18, Q1-FY17 as per IND-AS

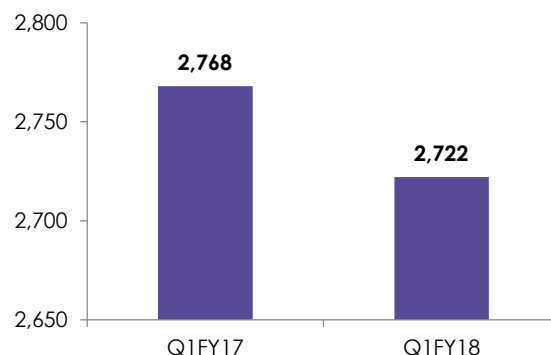
Building Products Performance - Standalone



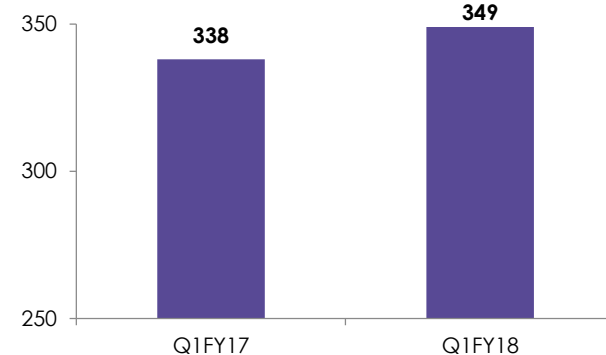
Sales (`000 MT)



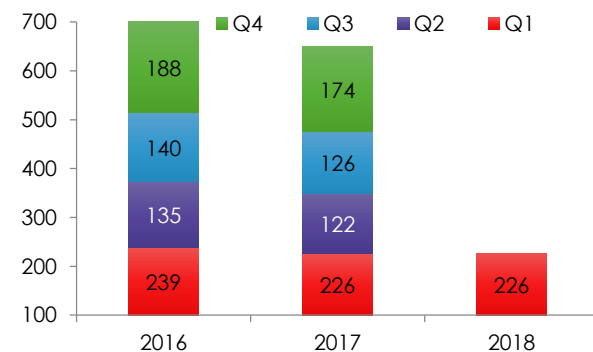
Revenue (INR Mn)



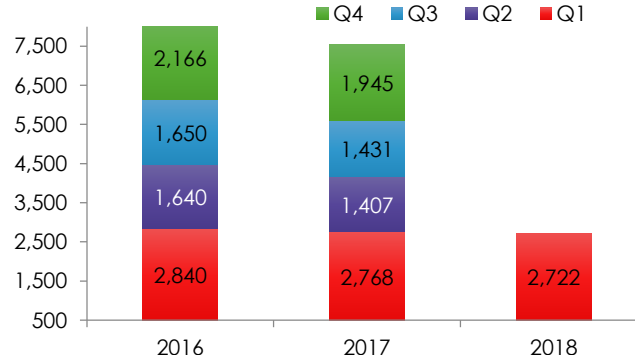
PBIT (INR Mn)



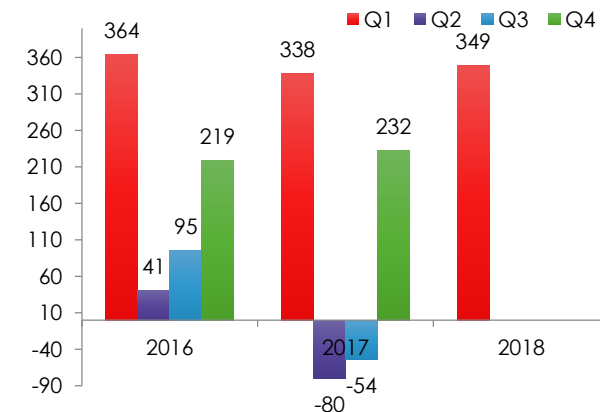
Sales (`000 MT)



Revenue (INR Mn)



PBIT (INR Mn)



Note : All Q1-FY17 and Q1-FY18 numbers as per IND-AS

- Building material products industry is likely to turn around strongly, helped by macro factors such as rural housing demand, raw material prices, GST rates and a good monsoon.
- The monsoon so far across the country has been normal and since there is a high degree of correlation between monsoon and rural incomes, leading to better farm output and more disposable income in the hands of rural customers and sale of roofing sheets
- This quarter has seen a successful application of GST across all sectors and Government officials are keeping a close watch on implementation of the same going forward.
- GST is expected to benefit the organized sector in Building products industry by providing a level playing field which would bring in consolidation in the industry thereby elimination most of the unorganized players.
- Further government initiatives like “Swatch Bharat Abhiyan”, “Housing for all by 2022” & “Smart City Mission” would drive additional demand for Building Products.
- Our product have been kept at 18% bracket
- Reduction in GST on fiber cement sheets to 18% is a welcome step in improvement of the market as these are more affordable for the end consumer.

- Everest has increased its market share amid uncertainties posed by GST rollout as most of distributors showed resistance to stock material towards the end of June in Roofing as well as Boards and Panels categories.
- Q1 market share has improved marginally as compared to last year.
- The industry was successful in convincing the government and the GST council to reduce the tax impact from 27% to the 18% slab under the GST regime and bring it on par with metal roofing
- Massive Geographical expansion has been undertaken, as post GST, markets which were inaccessible before have become accessible.
- We have been able to enhance our operational utilization of our Plants through better manufacturing practices.
- Received excellent response for "Everest Super" – a Premium Colored Fibre Cement Roofing Sheet with special "Anti-Fungal and Water Repellent properties" in strategic markets.
- Targeted and achieved significant improvement on customer service front
- We continue to face severe downturn in our export markets on account of poor economic and political scenarios in the Middle East.
- The domestic market of boards and panels continues to show strong growth with product acceptance increasing across the country.
- In continuation to philosophy of offering value added products in Boards and Panels to consumers, the company has launched new customer centric products.

- With a successful GST roll out and a favourable tax slab rate, we anticipate demand to spur in building product segment.
- Strong time bound push and increase in government focus on rapid development of Smart Cities across the country will put pressure on smarter, safer and speedier construction methods, which will help in increase in demand for Boards & Panels in urban and semi urban areas.
- Everest will continue working towards educating Architects, Traders, and other influencing communities through different channels for using modern methods of construction.
- With continuous efforts to participate in consumer focused meets and local/regional architectural events, Everest will keep rising awareness about conservation of natural resources, keeping in mind Speed, Strength and Safety.
- With steady efforts on Research & Development Everest will introduce of newer products and application developments in FY18 and roll out Everest Super color Anti fungal roofing sheets.

GST Rollout

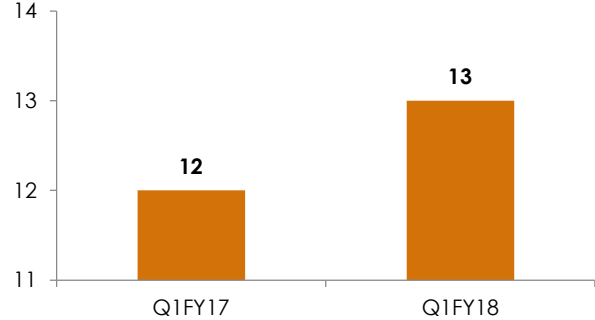
Expect GST to Spur demand as the product gets more affordable due to :

- Lower tax on end product.
- Lower logistics cost.
- Lower operational cost as depots are going to be redundant.
- This may be hindered by initial bottlenecks on IT side readiness.
- We are confident that government is taking steps to ensure the procedural hurdles are removed.

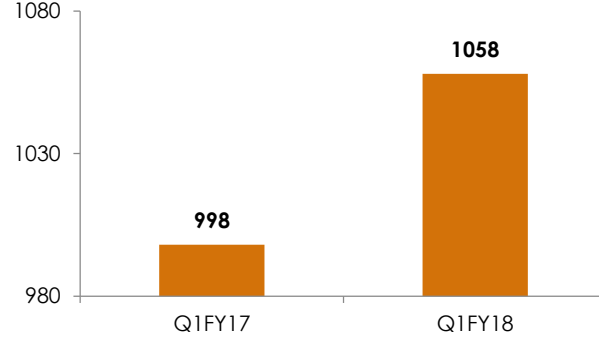
Steel Building Performance - Standalone



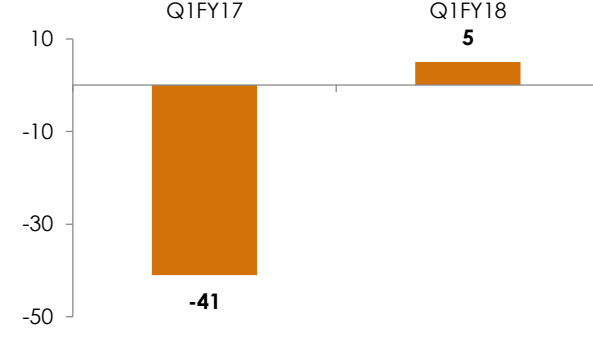
Sales ('000 MT)



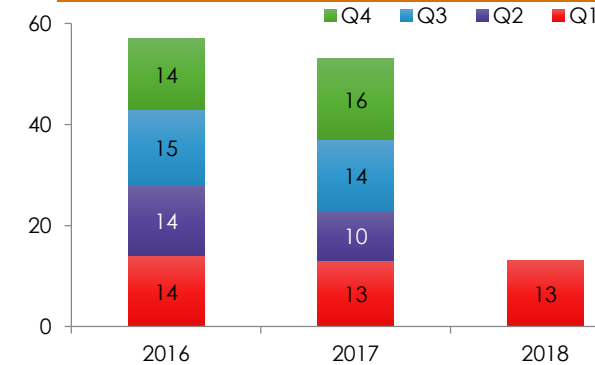
Revenue (INR Mn)



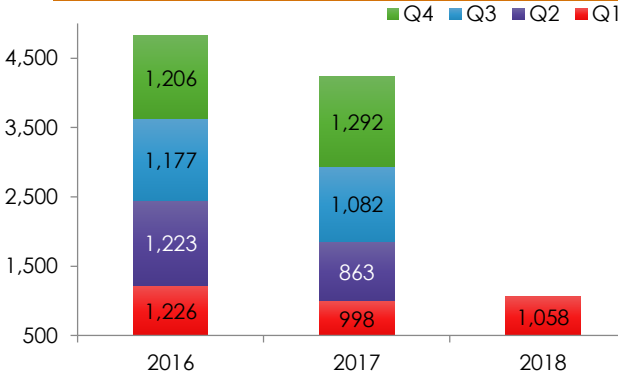
PBIT (INR Mn)



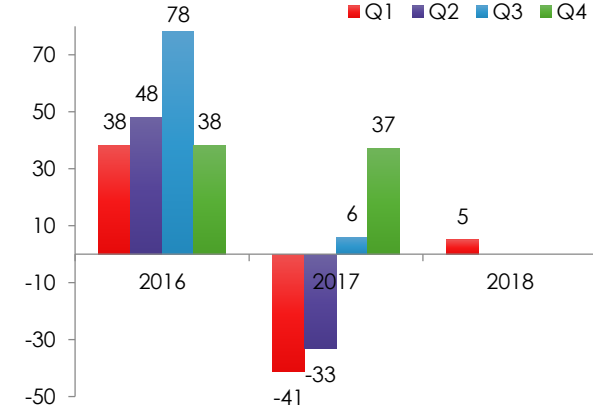
Sales ('000 MT)



Revenue (INR Mn)



PBIT (INR Mn)



Note : All Q1-FY17 and Q1-FY18 numbers as per IND-AS

- We have worked with our customers to introduce risk mitigation clause for future contracts in case of significant changes in steel prices due to delays or government policy changes
- Post successful GST rollout, demand seems to be returning to normal.
- Production throughput for Q1 FY18 was 12,000 MT.
- Customers are looking for speedier handover of their orders.
- Order book as on 30th June 2017 stands at 26,000 MT or INR 250 crores.
- Protectionist measures by steel producing countries may push steel prices higher

- Everest remains committed towards smarter, safer and speedier construction technology which is fast catching momentum in INDIA.
- Government focus to connect Tier II and Tier III towns via air routes will help the company to promote its modern Smart Steel Building Technologies.
- With more focus of the private sector to promote green buildings, this will directly help Everest as it is in a position to provide the best alternative construction method which is 3 times faster than the conventional construction. Everest smart steel buildings are 100% customized, aesthetic, durable and green buildings with inbuilt stability.
- Consolidation of the Warehousing and logistics sector in post GST scenario will provide opportunity to Everest to showcase design and deliver customized storage solutions at an exceptional speed and with high safety standards.
- A perception shift from conventional construction to pre-engineered steel structure will help propagating the concept to the tier II and Tier III towns to explore further opportunities.
- Everest continues undertaking consumer education by participating in seminars & exhibitions educating young architects in colleges, and increasing its focus on creating more brand awareness and repeat customers.



Centurion, Bhubaneshwar



Patanjali, Tezpur



Rapid Metro Project (IL&FS), Gurugram



Tata Power, Karnataka



Technip, Gujarat

Particulars	Q1-FY18	Q1-FY17	Y-o-Y
Total Income*	3,793	3,797	(0.1%)
Total Expenses	3,460	3,518	(1.6%)
EBITDA	333	279	19.4%
EBITDA Margin	8.78%	7.35%	143 Bps
Depreciation	56	66	(15.2%)
Finance Cost	38	45	(15.6%)
Exceptional items	16	0	NA
PBT	223	168	32.7%
Tax	53	50	6.0%
Profit After Tax	170	118	44.1%
PAT Margin	4.48%	3.11%	137 Bps
Other Comprehensive Income	5	0	NA
Total Comprehensive Income	175	118	48.3%
EPS (INR Diluted)	11.35	7.66	48.2%

*Total income includes other income

Particulars	FY13	FY14	FY15	FY16	FY17
Total Income*	10,229	10,476	12,410	13,263	11,645
Total Expenses	9,163	9,954	11,486	12,266	11,182
EBITDA	1,066	522	924	997	463
EBITDA Margin	10.4%	4.9%	7.5%	7.5%	4.0%
Depreciation	221	267	254	256	249
Finance Cost	56	126	187	228	189
PBT	789	129	483	513	25
Tax	264	38	141	160	0
Profit After Tax	525	91	342	353	25
PAT Margin	5.1%	0.9%	2.8%	2.7%	0.2%
EPS	34.7	6.02	22.45	23.00	1.60

*Total income includes other income

Historical Balance Sheet – Standalone (INR Mn)- IGAAP



EQUITIES & LIABILITIES	FY14	FY 15	FY16	FY17	ASSETS	FY14	FY15	FY16	FY17
Shareholder Funds					Non Current Assets				
Share Capital	152	153	154	154	Tangible Assets	2,692	3,138	3,515	3414
Reserves & Surplus	2,793	3,044	3,321	3,331	(Intangible Assets	126	71	0	0
Total -Shareholder Funds	2,945	3,197	3,475	3,485	Capital Work In Progress	610	303	0	0
					Non-current investments	6	77	279	279
Non Current Liabilities					Long term loans & advance	745	871	531	467
Long Term Borrowings	513	948	1,182	917	Other non-current assets	3	34	33	1
Deferred Tax Liabilities (Net)	283	295	323	312					
Other Long Term liabilities	-	0	0	0	Total - Non – Current Assets	4,182	4,494	4,358	4,161
Long Term provisions	61	60	0	0					
Total - Non – Current Liabilities	857	1,303	1,505	1,229	Current Assets				
Current Liabilities					Inventories	2,421	2,718	2,525	2,369
Short term Borrowings	1,655	1,857	1,125	883	Trade Receivables	807	1,043	1,131	1,049
Trade Payables	1,229	1,322	1,729	1,698	Cash & Bank Balances	251	636	521	158
Other Current Liabilities	1,292	1,352	1,161	1,146	Short-term loans & advances	608	598	720	741
Short-term provisions	297	469	269	72	Other current assets	6	11	9	35
Total – Current Liabilities	4,473	5,000	4,284	3,799	Total – Current Assets	4,093	5,006	4,906	4,352
GRAND TOTAL - EQUITIES & LIABILITIES	8,275	9,500	9,264	8,513	GRAND TOTAL – ASSETS	8,275	9,500	9,264	8,513

Particulars	FY13	FY14	FY15	FY16	FY17
Total Income*	10,229	10,476	12,417	13,263	11,771
Total Expenses	9,163	9,955	11,493	12,274	11,318
EBITDA	1,066	521	924	989	453
EBITDA Margin	10.4%	5.0%	7.4%	7.5%	3.8%
Depreciation	221	267	254	256	251
Interest	56	126	187	228	189
PBT	789	128	483	505	13
Tax	264	38	141	160	1
Profit After Tax	525	90	342	345	12
PAT Margin	5.1%	0.9%	2.8%	2.6%	0.1%
EPS	34.70	5.94	22.46	22.61	0.80

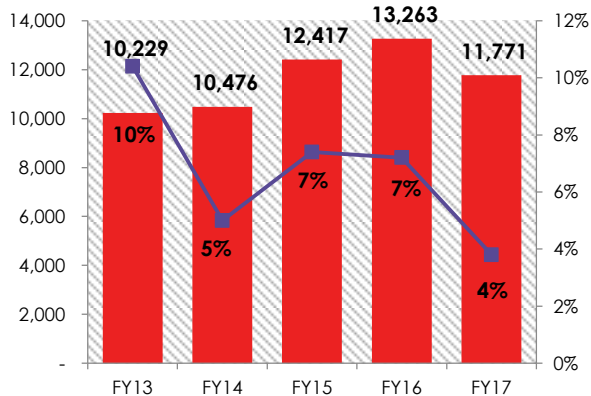
*Total income includes other income

Historical Balance Sheet – Consolidated (INR Mn) - IGAAP

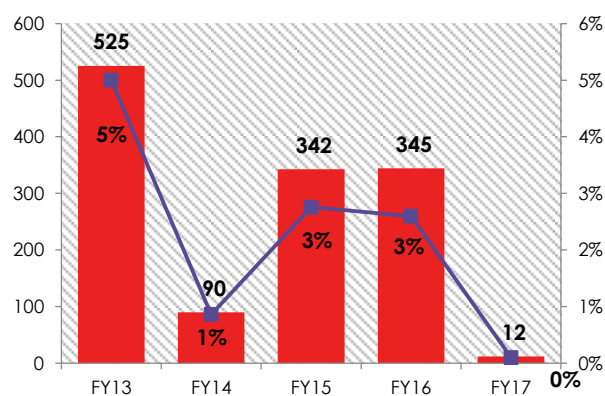


Equity & Liabilities	FY14	FY15	FY16	FY17	Assets	FY14	FY15	FY16	FY17
Shareholder's Funds					Assets				
					Non-Current Assets				
Share Capital	152	153	154	154	Fixed Assets				
Reserves and Surplus	2,792	3,042	3,312	3,309	Tangible Assets	2,691	3,138	3,597	3,636
Minority Interest	-	-	9	2	Intangible Assets	126	71	0	
Total Shareholder's Fund	2,944	3,195	3,475	3,465	Capital Work-in-Progress	610	322	0	
					Non Current Investments	1	0	0	0
Long-Term Borrowings	513	948	1,182	917	Long-Term Loans and Advances	745	874	542	478
Deferred Tax Liabilities (Net)	283	295	323	312	Other Non-Current Assets	3	33	32	1
Long-Term Provisions	61	60	0	0	Total Non Current Assets	4,176	4,438	4,171	4,115
Non-Current Liabilities	857	1,303	1,505	1,229					
					Inventories	2,421	2,718	2,525	2,371
Short-Term Borrowings	1,655	1,857	1,125	883	Trade Receivables	807	1,043	1,131	1,079
Trade Payables	1,229	1,322	1,731	1,746	Cash and Cash Equivalents	255	679	634	184
Other Current Liabilities	1,292	1,352	1,161	1,165	Short-Term Loans and Advances	610	610	796	778
Short-Term Provisions	297	469	269	74	Other Current Assets	5	10	9	35
Current Liabilities	4,473	5,000	4,286	3,868	Total Current Assets	4,098	5,060	5,095	4,447
TOTAL EQUITY AND LIABILITIES	8,274	9,498	9,266	8,562	TOTAL ASSETS	8,274	9,498	9,266	8,562

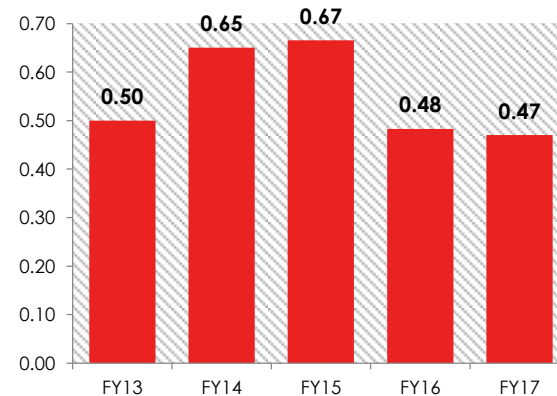
Revenue (INR Mn) and EBITDA Margin (%)



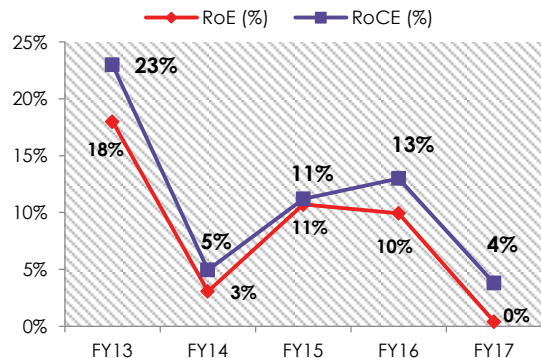
PAT (INR Mn) & PAT Margin (%)



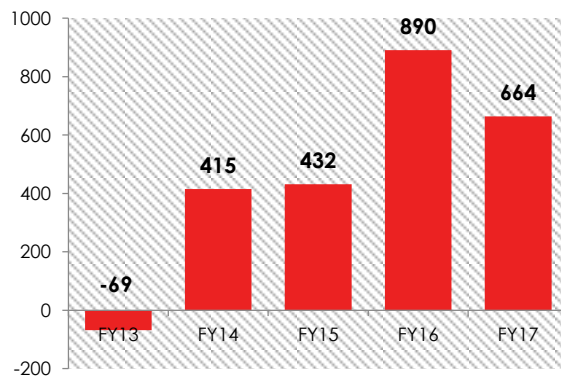
Net Debt to Equity Ratio (x)



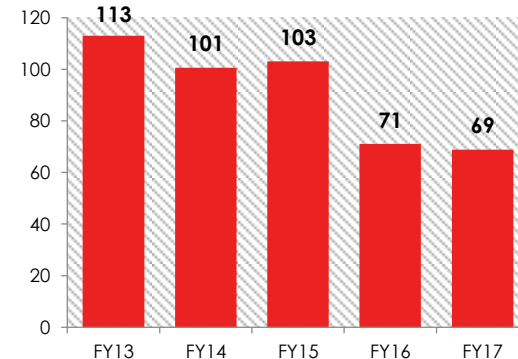
ROE & RoCE



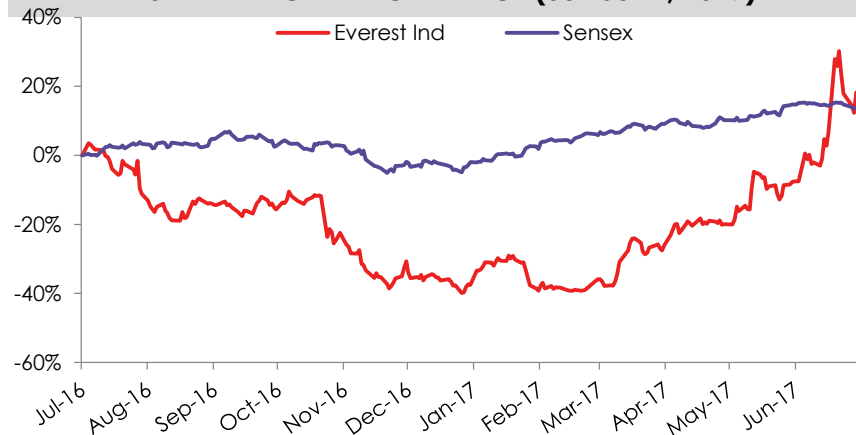
Operating Cash Flow (INR Mn)



Working Capital Days



SHARE PRICE PERFORMANCE (30th JUNE, 2017)



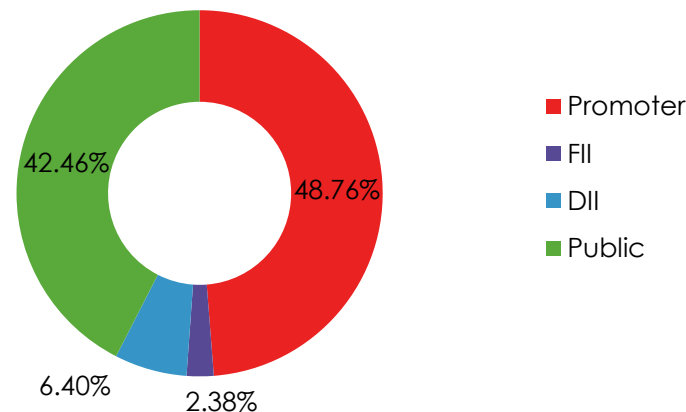
PRICE DATA (AS ON 30th JUNE, 2017)

Face Value (INR)	10.00
Market Price (INR)	363.10
52 week H/L (INR)	421.6/182.0
Market Cap (INR Mn)	5,599
Equity Shares Outstanding (Mn)	15.4
12 Month Avg. Trading Volume ('000)	69.2

MARQUEE INSTITUTIONAL INVESTORS (30th JUNE, 2017)

HDFC Mutual Fund	5.93%
ICICI Lombard General Insurance	5.22%
Morgan Stanley Asia (Singapore) Pte.	1.03%

SHAREHOLDING PATTERN (30th JUNE, 2017)



The earnings call to discuss financial and operational performance for Q1-FY18 with Mr. Manish Sanghi, Managing Director and Mr. Nikhil Dujari, CFO will be held on:

- Date: **Monday, 31st July, 2017**
- Time: **11.30 AM**
- Primary Dial-in Numbers: **+91 22 3960 0763**

Everest Industries Limited Disclaimer:

No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. Certain statements made in this presentation may not be based on historical information or facts and may be "forward looking statements" based on the currently held beliefs and assumptions of the management of Everest Industries Limited ("Company" or "Everest Industries Limited"), which are expressed in good faith and in their opinion reasonable, including those relating to the Company's general business plans and strategy, its future financial condition and growth prospects and future developments in its industry and its competitive and regulatory environment.

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance or achievements of the Company or industry results to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements, including future changes or developments in the Company's business, its competitive environment and political, economic, legal and social conditions. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements to reflect future events or developments.

This presentation is for general information purposes only, without regard to any specific objectives, financial situations or informational needs of any particular person. This presentation does not constitute an offer or invitation to purchase or subscribe for any securities in any jurisdiction, including the United States. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. None of our securities may be offered or sold in the United States, without registration under the U.S. Securities Act of 1933, as amended, or pursuant to an exemption from registration there from.

This presentation is confidential and may not be copied or disseminated, in whole or in part, and in any manner.

Valorem Advisors Disclaimer:

Valorem Advisors is an Independent Investor Relations Management Service company. This Presentation has been prepared by Valorem Advisors based on information and data which the Company considers reliable, but Valorem Advisors and the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded. Valorem Advisors also hereby certifies that the directors or employees of Valorem Advisors do not own any stock in personal or company capacity of the Company under review.

For further details, please feel free to contact our Investor Relations Representatives:



Mr. Anuj Sonpal
Valorem Advisors

Tel: +91-22-3006-7521 / 22 / 23 / 24

Email: everest@valoremadvisors.com