



EVEREST INDUSTRIES LIMITED

Q4 – 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.

FY17 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).

*FY17 Financial Snapshot :

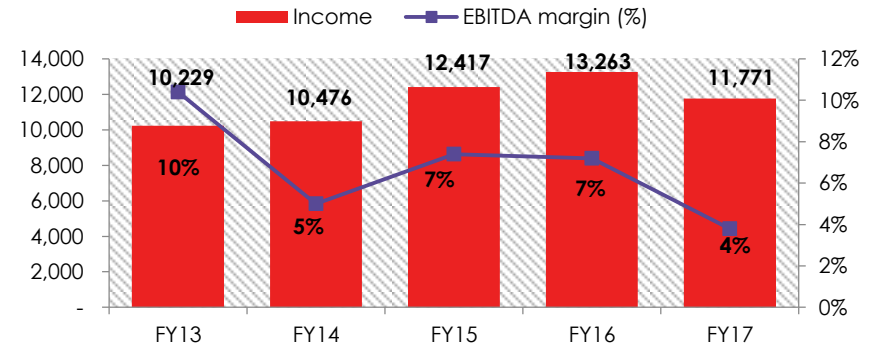
Total Income**	EBITDA	Net Profit
INR 11,771 Mn	INR 453 Mn	INR 12 Mn
3 Years CAGR 4%	EBITDA Margins 3.8%	PAT Margins 0.1%

* Consolidated

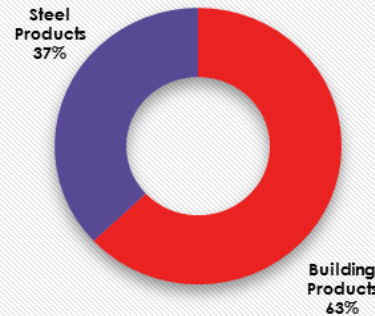
**Total income includes other income

- 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.

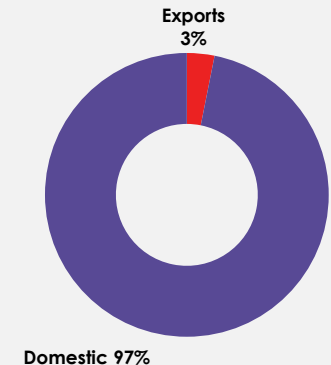
Revenue (INR Mn) and EBITDA Margin (%)*



FY17 Business Mix*



FY17 Geographical Mix*



Standalone :

Q4-FY17 Financial Performance

- **Total Income*** : INR 3,255 mn
- **EBITDA** : INR 301 mn
- **EBITDA Margin** : 9.2%
- **Net Profit** : INR 141 mn
- **PAT Margin** : 4.3%
- **Diluted EPS** : INR 9.14 per share

FY17 Financial Performance

- **Total Income*** : INR 11,645 mn
- **EBITDA** : INR 463 mn
- **EBITDA Margin** : 4.0%
- **Net Profit** : INR 25 mn
- **PAT Margin** : 0.2%
- **Diluted EPS** : INR 1.60 per share

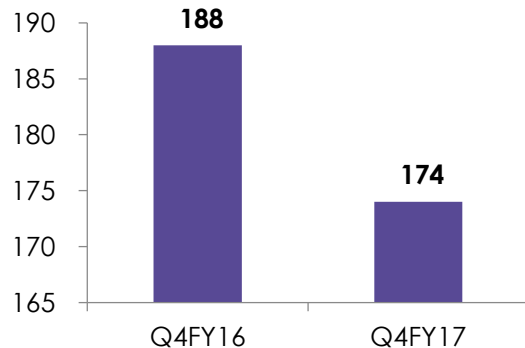
*Total income includes other income

Consolidated :

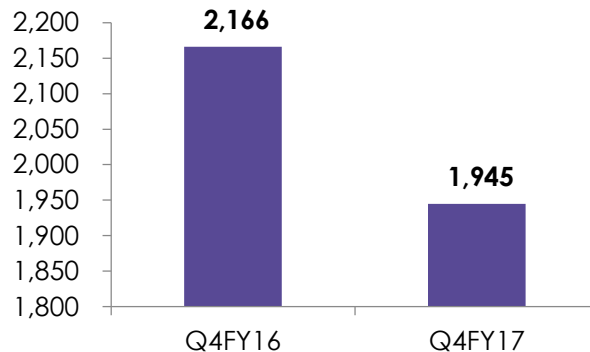
FY17 Financial Performance

- **Total Income*** : INR 11,771 mn
- **EBITDA** : INR 453 mn
- **EBITDA Margin** : 3.8 %
- **Net Profit** : INR 12 mn
- **PAT Margin** : 0.1%
- **Diluted EPS** : INR 0.80 per share

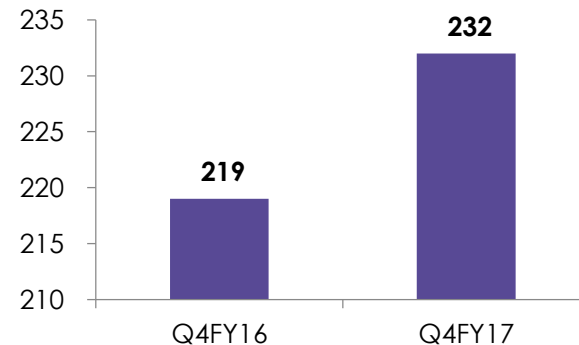
Sales (`000 MT)



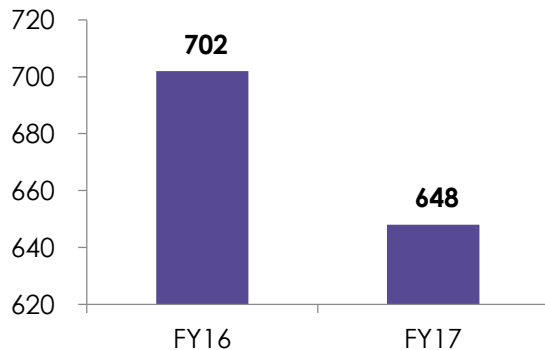
Revenue (INR Mn)



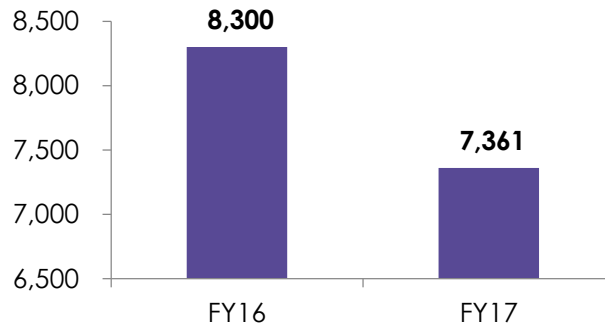
PBIT (INR Mn)



Sales (`000 MT)



Revenue (INR Mn)



PBIT (INR Mn)



- India is expected to emerge as one of the largest construction market by 2020 by adding 11.5 million homes every year.
- Despite demonetization related slowdown, International Monetary Fund (IMF) has retained its India growth forecast for FY18 at 7.2 per cent and FY19 at 7.7 per cent.
- IMF sees a medium-term growth prospects as favorable, with growth to rise to about 8 per cent over the medium term due to the implementation of key reforms and appropriate fiscal and monetary policies.
- Union Budget 2017-18 granted "Infrastructure" status to affordable housing aligned with the government agenda of 'Housing for All by 2022'.
- Gramin Pradhan Mantri Awas Yojna scheme will provide necessary liquidity for rural segment to achieve "Housing for all by 2022"
- Faster construction and newer automation technologies will play a key role.
- Successful rollout of GST, improved ease of doing business and a more focused development delivery mechanism should boost the growth momentum.

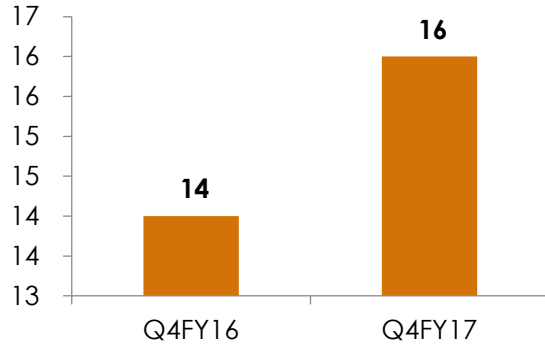
- Everest has increased its market share in the most unstable quarter in the FY17. Q4FY17 market share has improved to approximately 15% as compared to 14% last year.
- The impact of demonetization is over now and sales have returned to normal.
- Massive Distribution and expansion exercise have been undertaken to expand our reach in target markets.
- Our proactive approach to educate the trader community and to make them proficient in cashless modes of transactions, post demonetization has paid us rich dividends in terms of increased loyalty and increase in market share.
- We have been able to enhance our operational utilization of our Plants through better manufacturing practices.
- Launched “Everest Supercolor” – a Premium Colored Fibre Cement Roofing Sheet with special “Anti-Fungal and Water Repellent properties” in strategic markets with a plan to grow this category across the country.
- Targeted and achieved significant improvement of customer service front, mainly on account of turnaround time and claims settlement.
- Redesigned logistics to be more customer centric in operations.
- We continue to face severe downturn in our export markets on account of poor economic and political scenarios in the Middle East.
- Launched a major initiative to increase Everest's presence with architects, traders and customers supported by big product development and training initiative.
- The domestic market of boards and panels continues to show strong growth with product acceptance increasing across the country.
- Working capital management has been taken up with objective to achieve significant improvement over Last Year.
- Despite pressure from the distributor, dealers community during Demonetization period we have been consistent and maintained our “No Credit” policy.

- With the Indian economy returning to normalcy post demonetization and a good harvest season will aid increase in demand for Roofing products.
- India Meteorology Department (**IMD**) forecasts monsoons to be normal which would boost the rural economy and will help improve realizations for the company.
- 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.
- Company 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, company will keep rising awareness about conservation of natural resources, keeping in mind Speed, Strength and Safety.
- With steady efforts on Research & Development company is looking forward for introduction of newer product and application development in the FY18.
- Will grow and improve penetration of Boards & Panels in domestic markets with launch of new products and designs to enhance the portfolio.
- Undertake various new marketing activities to improve market penetration and increase in product and brand awareness across the target market markets in the country.

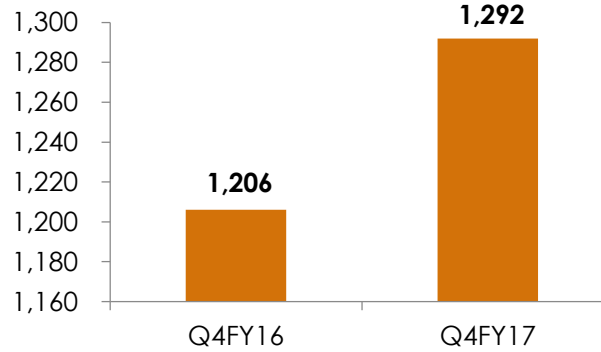
Steel Building Performance - Standalone



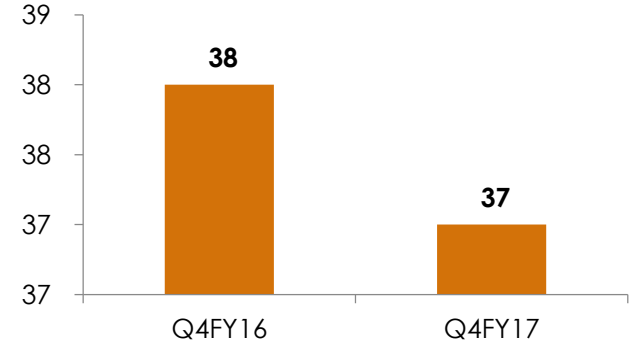
Sales (`000 MT)



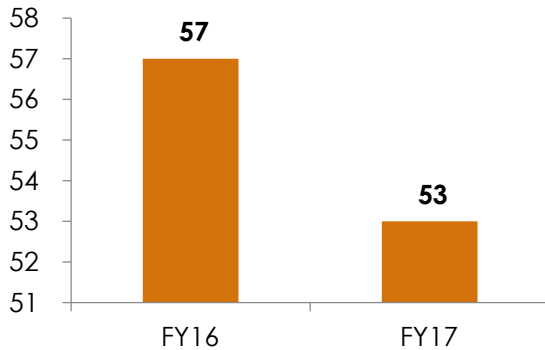
Revenue (INR Mn)



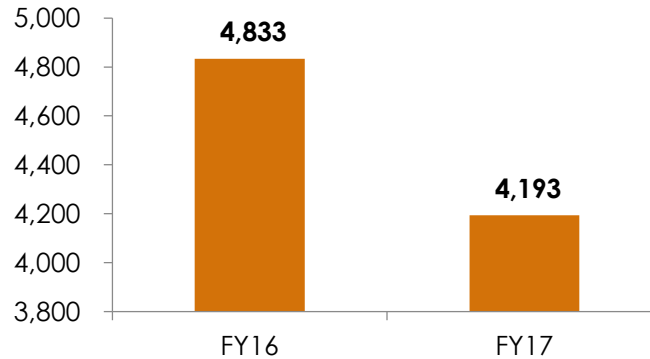
PBIT (INR Mn)



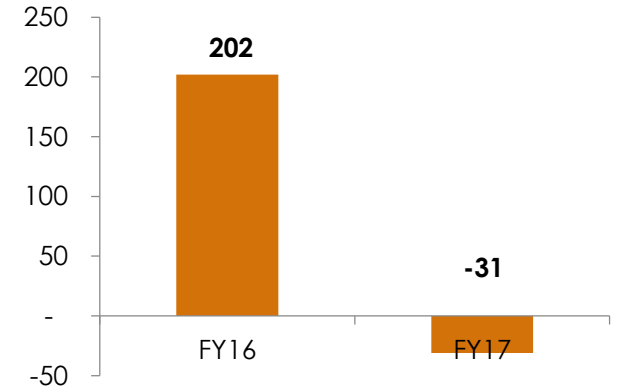
Sales (`000 MT)



Revenue (INR Mn)

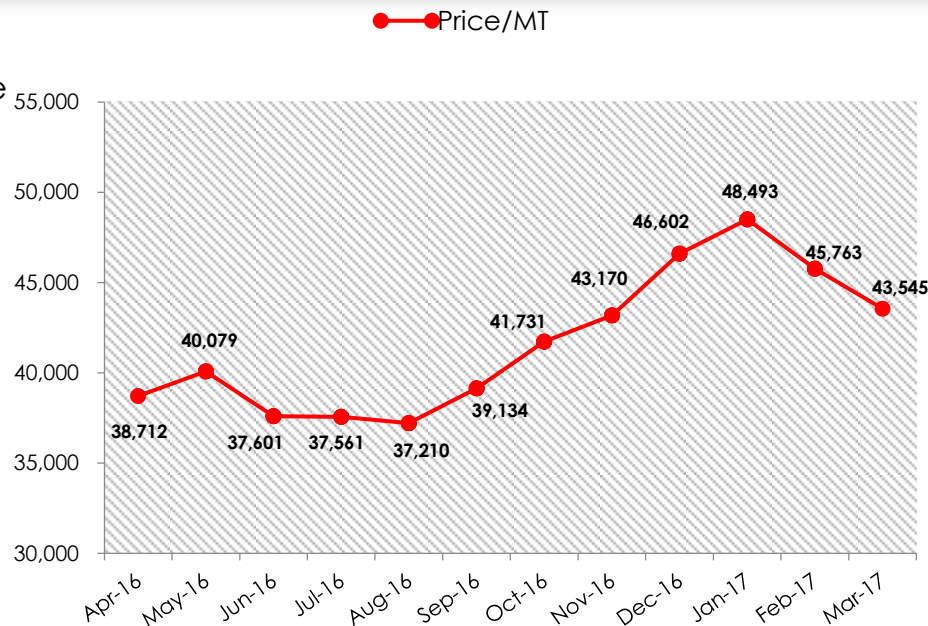


PBIT (INR Mn)



Key Operational Highlights

- We have worked with our customers to introduce price escalation clauses for future contracts in case of significant changes in steel price.
- Production throughput for FY17 was 43,397 MT.
- Demonetization impact is over and demand has come back to normal.
- Customers are looking for speedier handover of their orders.
- Order book as on 31st March 2017 stands at 28,937 MT.
- Protectionist measures by steel producing countries are expected to keep pushing steel prices on higher side.



- Company remains committed towards the smarter, safer and speedier construction.
- With government plan to develop 200 low-cost airports in Tier-II and Tier-III towns across the country, will help the company to promote its modern Smart Steel Building Technologies.
- With more focus of private sector to promote green buildings will directly help Everest as it comes with best alternative construction methods which is 3 times faster than the conventional construction. Everest smart steel buildings are 100% customized, aesthetic durable and green buildings with inbuilt stability.
- Every company who is wanting to participate in the INDIAN growth story and is in need to grow and expand its manufacturing facilities, cater to its warehousing needs, etc.. are witnessing a perception shift from conventional construction to pre-engineered steel structure and now Pre-engineered structures which help in reducing the construction period and can be installed as per the client's customization requirement are becoming a regular norm.
- Advantage for Everest in this is to provide a complete building solution with its vast network, in house R&D facility and an edge of having a brand image in the space.
- Company will keep on working towards enhancing consumer education by the way of participating in seminars for educating young architects in colleges, take part in modern building construction exhibitions and increase its focus on creating more brand awareness.
- However the steel prices are expected to rise marginally or remain stable in the coming months. This will be backed by a likely increase in domestic steel consumption and protectionist measures by the government. However, the movement in domestic prices will largely be influenced by the international steel prices. The company will be taking all possible measures to undertake the price increase in its contracts and has also started imbedding a clause of contract price revision based on increase in steel prices.



**IL&FS Transportation Network Ltd
(Gurgaon, Haryana)**



Patanjali (Tezpur, Assam)



Tata Power (Vemagal, Karnataka)



Technip (Dahej, Gujarat)



Reliance (Jhajjar, Haryana)

Q4 & FY17 – Standalone Income Statement (INR Mn)



Particulars	Q4-FY17	Q3-FY17	Q-o-Q	Q4-FY16	Y-o-Y
Total Income*	3,255	2,534	28.45%	3,389	(3.95)%
Total Expenses	2,954	2,613	13.05%	3,102	(4.77)%
EBITDA	301	(79)	NM	287	4.88%
EBITDA Margin	9.2%	(3.1)%	NM	8.5%	70 bps
Depreciation	61	57	7.02%	63	(3.17)%
Finance Cost	36	61	(40.98)%	51	(29.41)%
PBT	204	(197)	NM	173	17.92%
Tax	63	(57)	NM	54	16.67%
Profit After Tax	141	(140)	NM	119	18.49%
PAT Margin	4.3%	(5.5)%	NM	3.5%	80 bps
EPS (INR Diluted)	9.14	(9.12)	NM	7.73	18.24%

Particulars	FY17	FY16	Y-o-Y
Total Income*	11,645	13,263	(12.20)%
Total Expenses	11,182	12,266	(8.84)%
EBITDA	463	997	(53.56)%
EBITDA Margin	4.0%	7.5%	(350) bps
Depreciation	249	256	(2.73)%
Finance Cost	189	228	(17.11)%
PBT	25	513	(95.13)%
Tax	0	160	(100.00)%
Profit After Tax	25	353	(92.92)%
PAT Margin	0.2%	2.7%	(250) bps
EPS (INR Diluted)	1.60	23.00	(93.04)%

*Total income includes other income

Historical Income Statement – Standalone (INR Mn)



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)



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	FY17	FY16	Y-o-Y
Total Income*	11,771	13,263	(11.25)%
Total Expenses	11,318	12,274	(7.79)%
EBITDA	453	989	(54.20)%
EBITDA Margin	3.8%	7.5%	(370) Bps
Depreciation	251	256	(1.95)%
Finance Cost	189	228	(17.11)%
PBT	13	505	(97.43)%
Tax	1	160	(99.38)%
Profit After Tax	12	345	(96.52)%
PAT Margin	0.1%	2.6%	(250) Bps
EPS (INR Diluted)	0.80	22.61	(96.46)%

*Total income includes other income

Historical Income Statement – Consolidated (INR Mn)



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

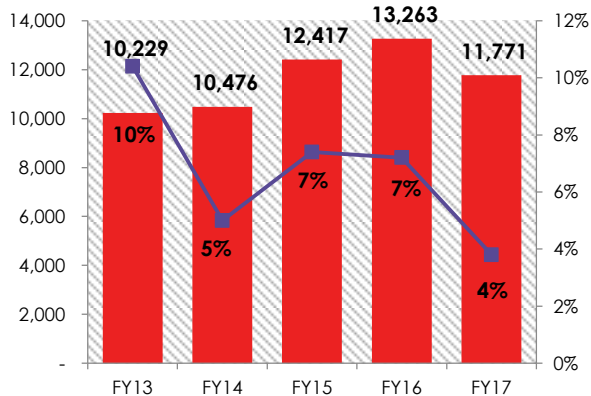
*Total income includes other income

Historical Balance Sheet – Consolidated (INR Mn)

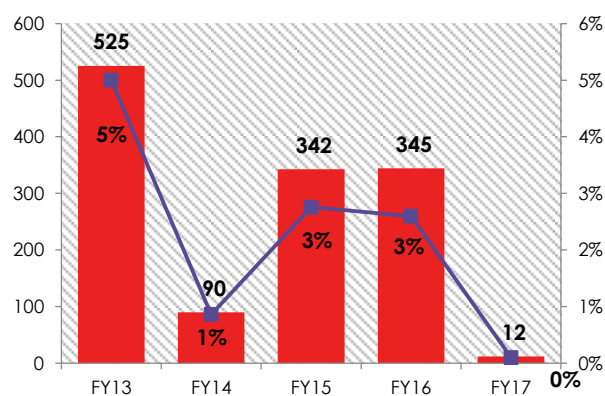


Equity & Liabilities	FY14	FY15	FY16	FY17	Assets	FY14	FY15	FY16	FY17
Shareholder's Funds					Assets				
					Non-Current Assets				
Share Capital	152	153	154	154	Fixed Assets				
Reserves and Surplus	2,792	3,042	3,312	3,309	Tangible Assets	2,691	3,138	3,597	3,636
Minority Interest	-	-	9	2	Intangible Assets	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

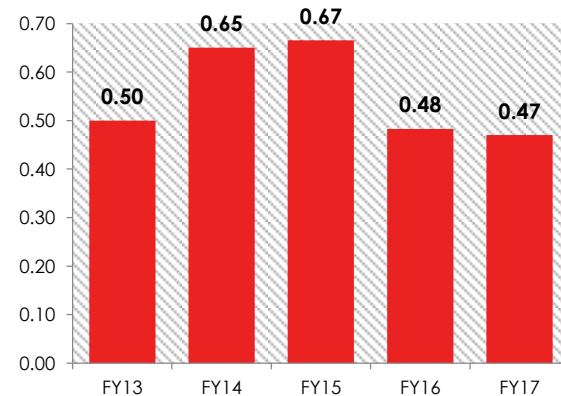
Revenue (INR Mn) and EBITDA Margin (%)



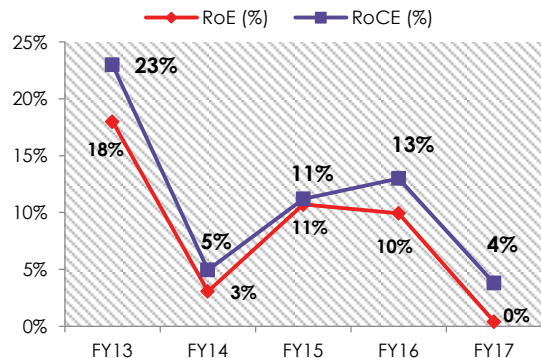
PAT (INR Mn) & PAT Margin (%)



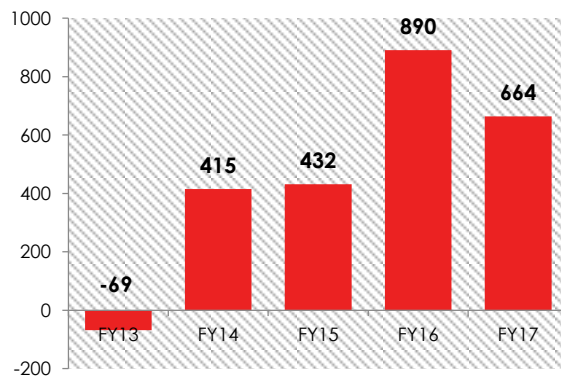
Net Debt to Equity Ratio (x)



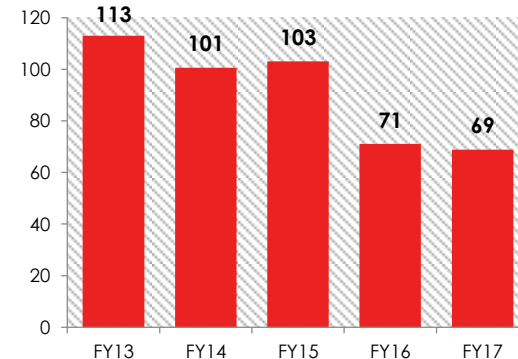
ROE & RoCE



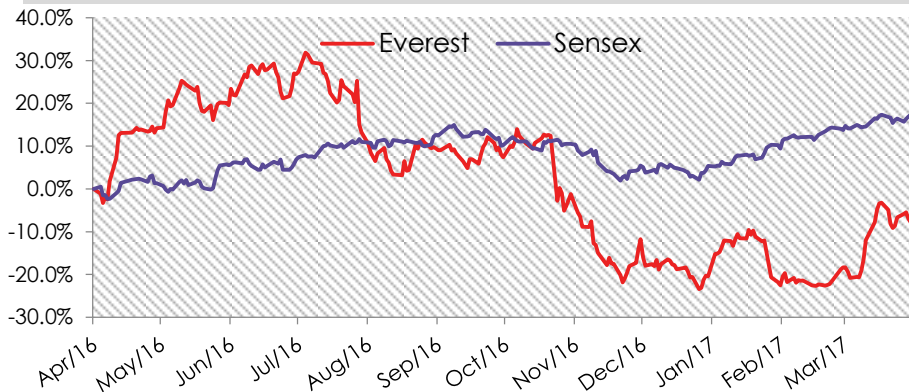
Operating Cash Flow (INR Mn)



Working Capital Days



SHARE PRICE PERFORMANCE (31st MARCH, 2017)



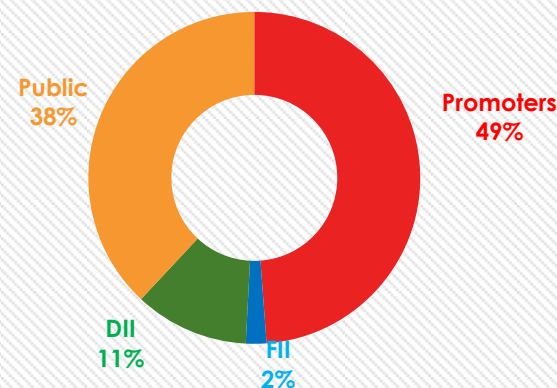
PRICE DATA (AS ON 31st MARCH, 2017)

Face Value (INR)	10.00
Market Price (INR)	227.15
52 week H/L (INR)	328/182
Market Cap (INR Mn)	3,503
Equity Shares Outstanding (Mn)	15.4
12 Month Avg. Trading Volume ('000)	37.3

MARQUEE INSTITUTIONAL INVESTORS (31st MARCH, 2017)

HDFC Mutual Fund	5.85%
ICICI Lombard General Insurance	5.22%
Morgan Stanley Asia (Singapore) Pte.	1.03%

SHAREHOLDING PATTERN (31st MARCH, 2017)



The earnings call to discuss financial and operational performance for Q4FY17 with Mr. Manish Sanghi, Managing Director and Mr. Nikhil Dujari, CFO will be held on:

- **Date: Monday, 08 May, 2017**
- **Time: 11.00 AM**
- **Primary Dial-in Numbers: +91 22 3960 0763**

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