

February 07, 2019

<b>The DCS- CRD</b> <b>BSE Limited</b> Corporate Relationship Department 1 <sup>st</sup> Floor, New Trading Ring, Rotunda Building, P. J. Towers, Dalal Street, Mumbai- 400 001	<b>National Stock Exchange of India Ltd</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
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Dear Sir /Madam,

**Scrip Code: 502219**

**Symbol: BOROSIL**

**Series: EQ**

**Sub: Presentation on Company's performance for the quarter ended December 31, 2018**

Enclosed presentation on Company's performance for Q3FY19.

You are requested to take the same on record.

Thanking you.

Yours faithfully,

**For Borosil Glass Works Limited**

**Gita Yadav**

**Company Secretary & Compliance Officer**

**ACS23280**

**Encl: as above**



Brand with a  
**50+** year  
legacy

Market Leader in  
Microwavable  
Kitchenware in  
India (Consumer  
Products)

Market Leader in  
Laboratory  
Glassware in India  
(Scientific &  
Industrial Products)

## YTDQ3FY19 Highlights – Sales

Rs. In Crores				
Segment	FY18	YTD Q3FY18	YTD Q3FY19	YTD Growth %
<b>SIP</b>				
- Labware	149.8	93.4	108.3	16.0%
- Klasspack*	36.3	25.7	31.2	21.4%
<b>Total SIP</b>	<b>186.1</b>	<b>119.2</b>	<b>139.6</b>	<b>17.1%</b>
<b>Consumerware</b>				
- BGWL	146.1	114.7	164.4	43.3%
- Hopewell	100.2	78.8	116.7	48.0%
<b>Total Consumerware</b>	<b>246.2</b>	<b>193.5</b>	<b>281.0</b>	<b>45.2%</b>
<b>Total</b>	<b>432.3</b>	<b>312.7</b>	<b>420.6</b>	<b>34.5%</b>

\* Sales figures exclude Sales to BGWL

- From 1st April, 2018 the Company has adopted the recently notified IndAS 115. Without this, actual Growth in SIP is 11.4% and Consumerware 46.0%. Overall growth is 32.8%.



## YTDQ3FY19 Highlights

				Rs. In Crores
Segment	FY18	YTD Q3FY18	YTD Q3FY19	Growth %
<b><u>EBITDA from Operations</u></b>				
- BGWL	51.1	36.0	41.9	16.4%
- Hopewell	7.3	8.5	20.8	143.0%
- Klasspack	4.7	3.7	1.3	-65.5%
<b>Total</b>	<b>63.1</b>	<b>48.3</b>	<b>64.0</b>	<b>32.4%</b>
<b>EBITDA%</b>	<b>14.6%</b>	<b>15.4%</b>	<b>15.2%</b>	
<b><u>PAT (Including Income from Investments)</u></b>				
- BGWL	56.2	38.8	45.1	<b>16.2%</b>
- Hopewell	-6.8	-1.2	-1.4	16.0%
- Klasspack	-0.2	0.5	-1.6	-442.6%
<b>Total</b>	<b>49.2</b>	<b>38.1</b>	<b>42.1</b>	<b>10.6%</b>

Vyline EBITDA (not included above) for YTDQ3FY19 is Rs. 11.5 crores as compared to Rs. 9.4 crores in YTDQ3FY18.

- From 1st April, 2018 the Company has adopted the recently notified IndAS 115. Without this, actual EBITDA is Rs. 60.9 crores (14.5%).

# BOROSIL®

*Consumer Products Division (CPD)*



# Consumer Product Division (CPD)

## Product Range & Positioning

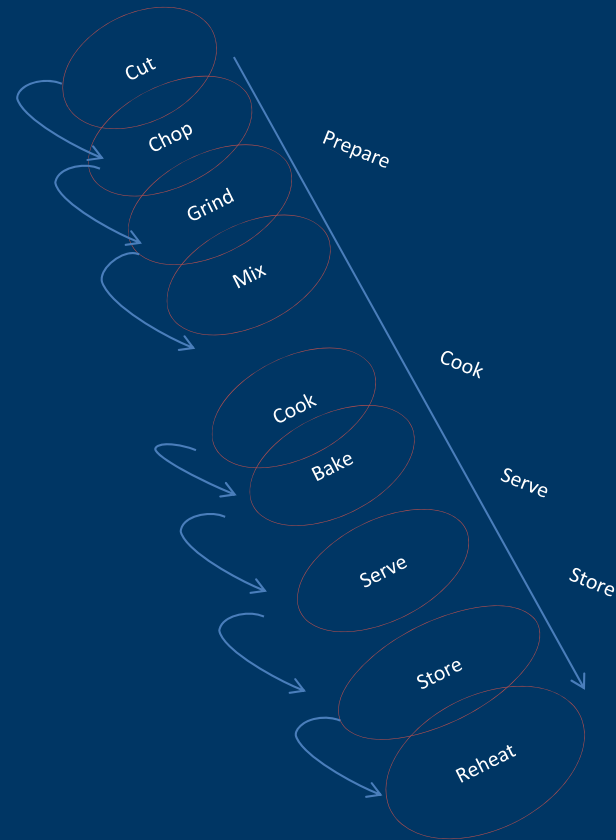
Ally for the progressive homemaker



Everyday



Entire process of Cooking & Serving



Modern, contemporary



Expanding from being synonymous with microwaveable glass to storage, tableware and appliances

**BOROSIL®**  
Performs Beautifully



# Consumer Product Division (CPD)

## Opportunity

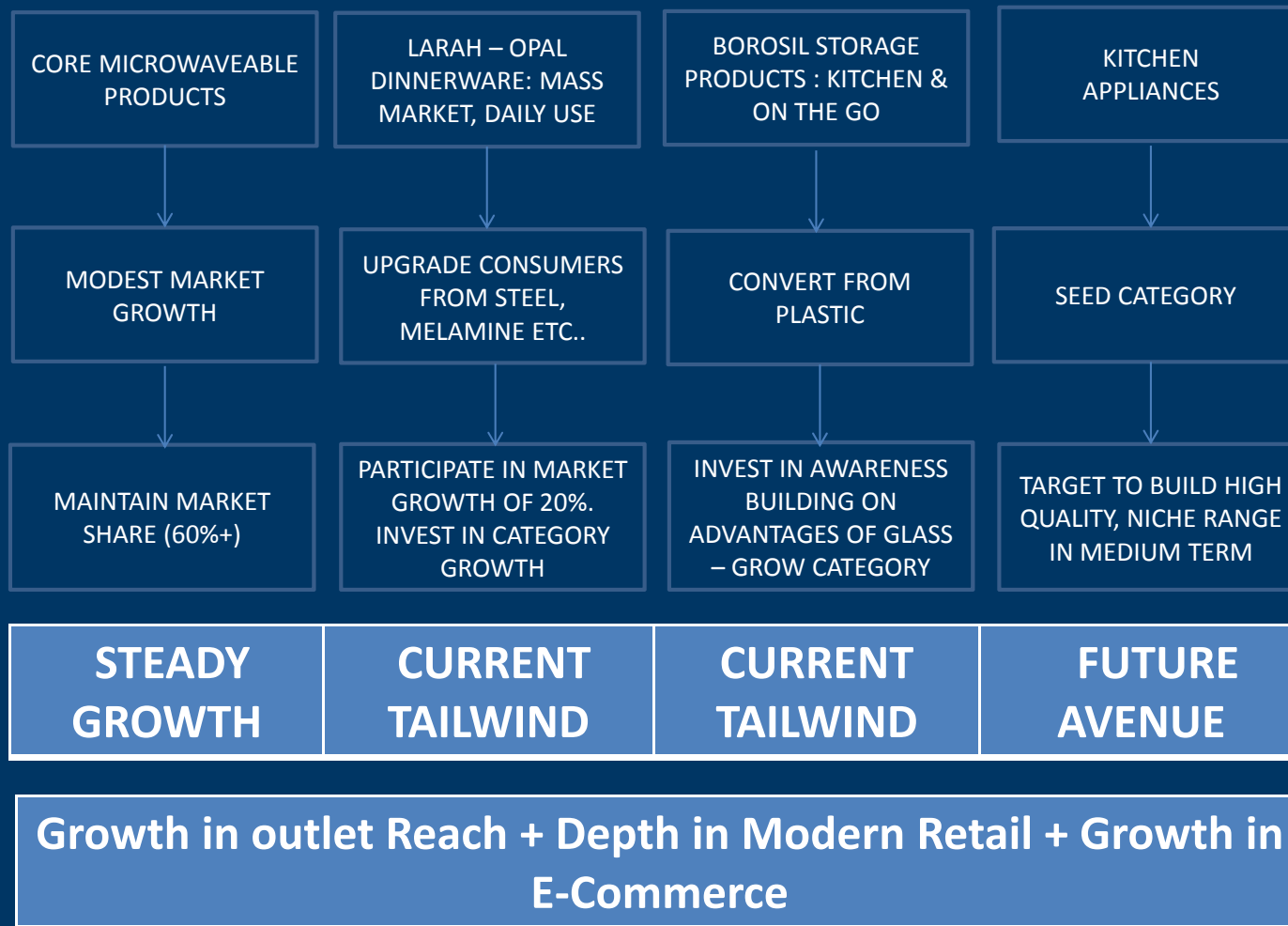
Category	Total Market Size (Cr.)	Market Growth %
Glass Microwavables	100	10%
Tumblers	440	10%
Storage	700	15% to 20%
Opalware	500	20%
Tea / coffee	400 (incl. ceramicware)	15%
Appliances	9000	10%

- Estimated market share of Microwavables is 60%.
- Tumblers universe consists of Borosilicate glass & Soda Lime glass, Borosil primarily markets Borosilicate Glasses.
- Borosil has entered the other categories recently.
- Opportunity to convert from plastic & steel to glass in opalware & storage
- Note : Market size, growth & share are internal estimates





## CONSUMER PRODUCTS PORTFOLIO – GROWTH PILLARS



# Consumer Product Division (CPD)

## *Strength to leverage Opportunities*

- New product capabilities
  - New product range has received wide market acceptance
  - New Products (introduced in last 3 years) share of Total Sales ~20%
- Borosil is the gold standard on quality
- Strong channel loyalty
- Investment in brand building
  - Few established brands in the category



# Larah – Opal Dinner Ware

- Larah FY18 revenue INR 100 cr - growth of 15%
  - No 2 player in high growth category
- Large opportunity in Opal dinner ware
  - Microwaveable, Light, Strong, Chip resistant
  - Ideal for mass market daily use
  - Market dominated by a single player
- Capacity expansion completed in FY18
  - Likely to service revenue of ~INR 150 to 175 crores
  - Improved product quality with consistency
  - Enhanced yields / reduced wastage
- Margin Improvement initiatives for the medium term
  - Better yields from new production lines (implemented)
  - New Fulfilment Centre to optimize truck utilization
  - Product mix and measured price increases
  - Operating leverage with scale on advertising & fixed overheads
- Revenue YTDQ3FY19 116.7 crore (Growth 48%)

**BOROSIL®**  
Performs Beautifully



## Storage Range

- Indian kitchen storage dominated by plastic and steel
  - Very low penetration of glass storage
- Awareness of Glass as a superior option on the rise
  - No health hazard as in some types of plastic
  - Transparent as against opaque steel & plastic getting stained and translucent over time
  - Looks as good as new for extended period of time
  - Good design ensures stack-ability & space optimization
- High grade steel designs for on-the-go products like flasks & hot food cases an opportunity
- Investing in storage range as a new pillar of growth

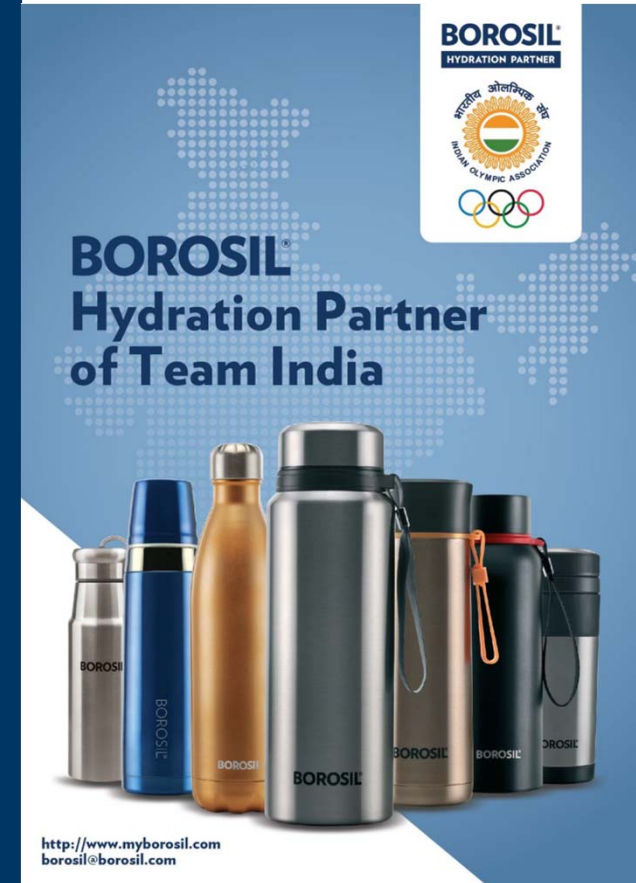




# Consumer Product Division (CPD)

## National Sponsors of Indian Olympic Association

- Official Hydration Partner to Team India.
- Association upto year 2024.
- An exclusive partner to the Hydration category - Stainless Steel Flasks, Bottles, Glass bottles, Glass Jugs.
- Rights for:
  - Marketing communications and collaterals.
  - limited edition bottles on Olympic theme.
  - Image rights of athletes for brand endorsements



# Consumer Product Division (CPD)

## Multiple Distribution Channels

- Serviced by 200 distributors & 10K independent retail outlets (GT) : ~50% - 55% sales
  - Can expand to 12K to 15K outlets
- Listed with most Modern Retail chains and B2B: ~20% sales
  - Increase depth & list more products from range
- Retailed through leading E-Commerce market-places : ~8%-10% sales
  - Opportunity to grow through e-comm. exclusive ranges
- B2B Institutional customers and CSD sales: ~20% sales



# Consumer Product Division (CPD)

## Key Modern Trade Partners





# Consumer Product Division (CPD)

## Some Key Institutional Customers



**BOROSIL®**  
Performs Beautifully






# BOROSIL®

## Scientific & Industrial Products (SIP)



# Scientific & Industrial Products (SIP)

## Opportunity

- *Offers Scientific & Laboratory equipment*
  - Glassware, Instruments, Liquid handling systems
- Used in Pharma, Biotechnology, Microbiology, Food & Soil testing, Educational Institutions etc
- Laboratory tools & equipment under the brand  

- *Markets to scientists (end users) as consumers of Lab products*
  - Not a typical B2B / institutional business
- **Primary glass packaging for pharma industry**
  - Glass ampoules, vials

**BOROSIL®**



*The market leader in  
Laboratory Glassware*

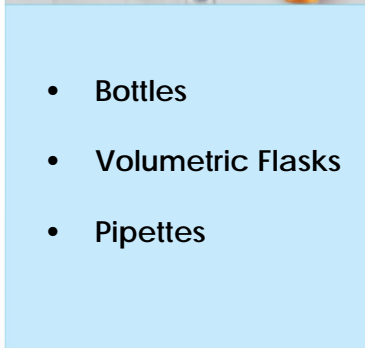
## Product Range

# BOROSIL®

## Product range



- Beakers
- Test Tubes
- Conical Flasks



- Bottles
- Volumetric Flasks
- Pipettes



- Burettes
- Petri Dishes
- Cylinders



- Condensers
- Desiccators
- Round Bottom Flask



# Scientific & Industrial Products (SIP)

**BOROSIL®**

- *Market size*
  - Lab Glass (Domestic) INR 235 Cr, growth 8-10%
  - Lab Glass (International) INR 4000 Cr, growth 0-2%
  - Lab Glass (ME/Africa/ SEA) INR 80 Cr, growth 15%
  - Lab instruments (Domestic) INR 150 Cr, growth 8-10%
  - Pharma Packaging (Tubular Glass): INR 500 Cr, growth 10-12%
- *Market share*
  - Labglass (Domestic) ~64% (Fragmented competition)
  - Labglass (International): Recent market entry, FY18 revenue: INR 9.3 Cr
  - Lab Instruments : Recent market entry through “LabQuest”
  - Pharma Packaging (Tubular Glass): Klasspack FY18 revenue: INR 36.3 Cr (net of Excise duty).

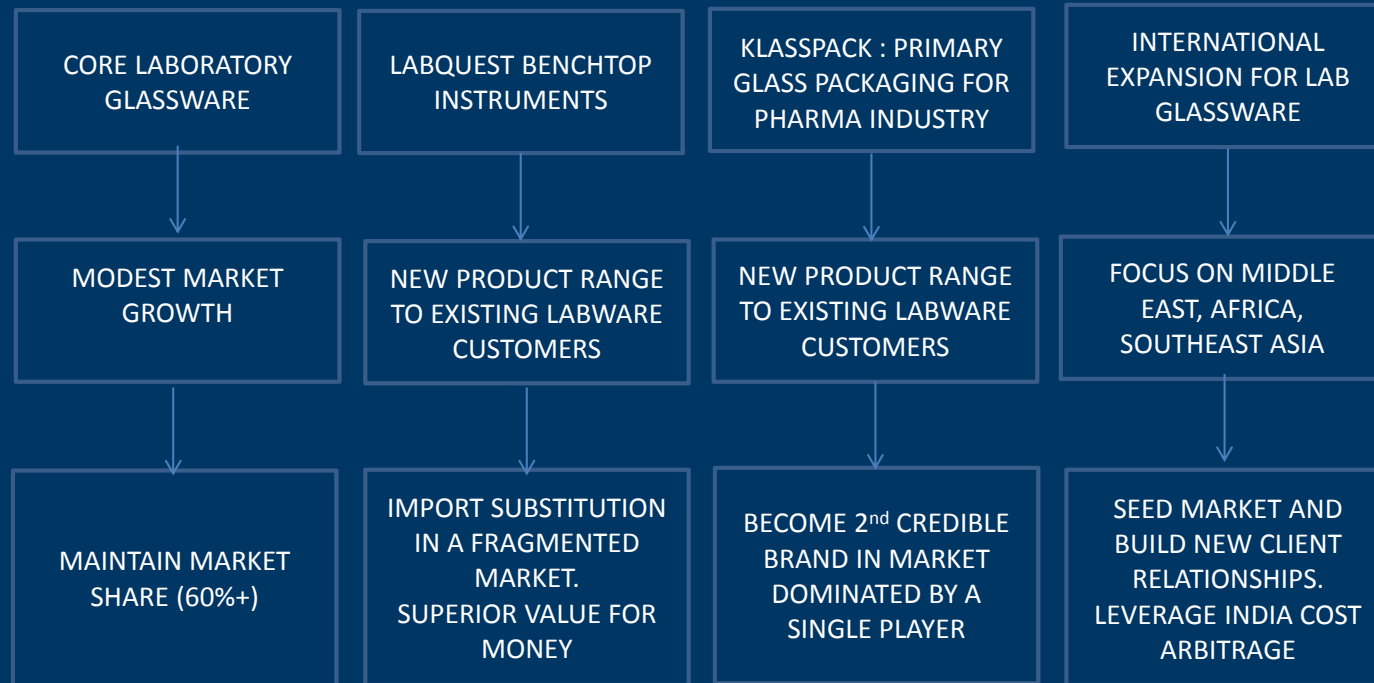
Note: Market size & growth are internal estimates



*The market leader in  
Laboratory Glassware*



## SCIENTIFIC & INDUSTRIAL PRODUCTS PORTFOLIO – GROWTH PILLARS



# *Scientific & Industrial Products (SIP)*

## *Emerging Growth Opportunities*

- Growth in the customer industries in India (Pharma)
- Benchtop instruments to existing pharma customers (LabQuest) – import substitution
- Exports of lab glassware to ME/SEA/Africa
- Entered the primary glass packaging for pharma through Klasspack in 2016.

**BOROSIL®**



**LABQUEST**  
BY **BOROSIL**

# *Scientific & Industrial Products (SIP): Laboratory Glassware*

## *Strong Barriers to Entry*

- *Meeting wide product range customer need*
  - Single supplier convenient for laboratory for multiple critical yet low ticket SKUs
  - Not easily replicable by competition
- *Quick & on-time delivery of SKU range*
  - Investment in inventory, 6 warehouses & dealer network
  - Well managed Inventory more than offsets loss of sale
- *Products meet international quality benchmarks*
- *Strong customer relationships*
  - Low propensity of customer to switch

**BOROSIL®**



*The market leader in  
Laboratory Glassware*

# Scientific & Industrial Products (SIP)

**BOROSIL®**

## Acquisition of Klasspack

- Acquired 60.3% in July 2016
  - Increased holding to 70.2% in July 2018.
- Glass Ampoules & Tubular Glass Vials for packaging pharmaceutical products
  - Complements Borosil's analytical vials range (used in the lab)
- Provides Borosil's Pharmaceutical Customers
  - credible 2nd alternative for their packaging needs
- Long lead times to pass stringent quality benchmarks, a significant barrier to more entrants
- Revenue FY18: INR 36.3 Crores (net of Excise duty)
- Revenue YTDQ3FY19: INR 31.2 crore (growth 21%)

**BOROSIL**  
**KLASSPACK**  
pharmaceutical packaging

**Glass Ampoules**  
**Tubular Glass Vials**





# Scientific & Industrial Products (SIP)

**BOROSIL®**

## Key Customers

**Cipla**  
Caring for life

 **Mylan**  
Seeing  
is believing

 **LUPIN**  
PHARMACEUTICALS, INC.

  
**DR. REDDY'S**

**RANBAXY**  
LABORATORIES LIMITED

  
**ALKEM**

  
**Incepta**

  
**glenmark**  
A new way for a new world

**Zydus**  
dedicated to *life*

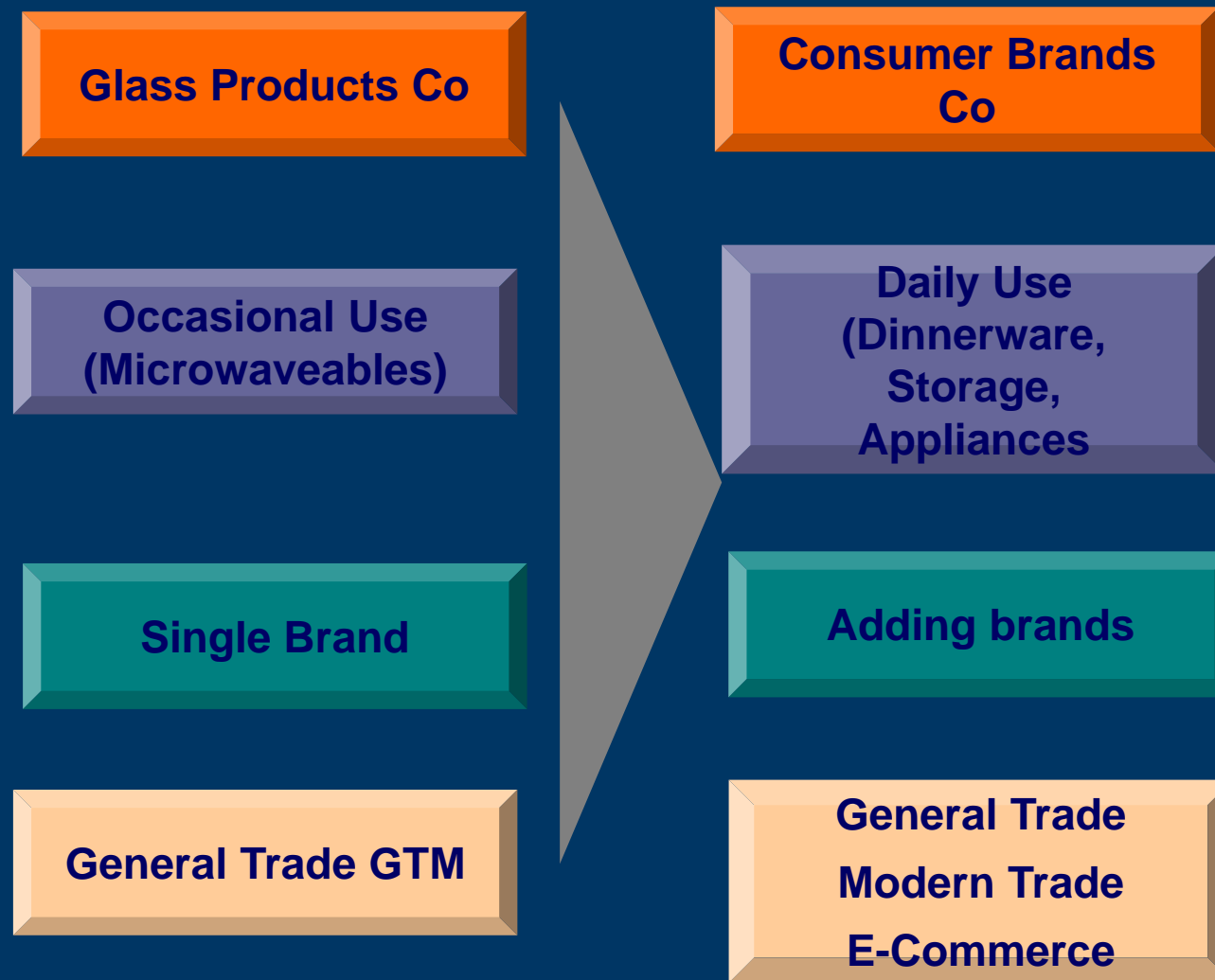
  
**TEVA**  
TEVA PHARMACEUTICALS

- **Strong brand equity**
  - Sustained growth momentum & margins
- **Strong steady SIP business to support growth in CPD business**
- **Established network of happy channel partners**
  - Over 200 distributors / 10,000 retailers
- **Strong Balance Sheet with cash surplus**
  - Ability to invest in brand building
  - Acquisitions to supplement organic growth

## ***Journey over last 6 years***

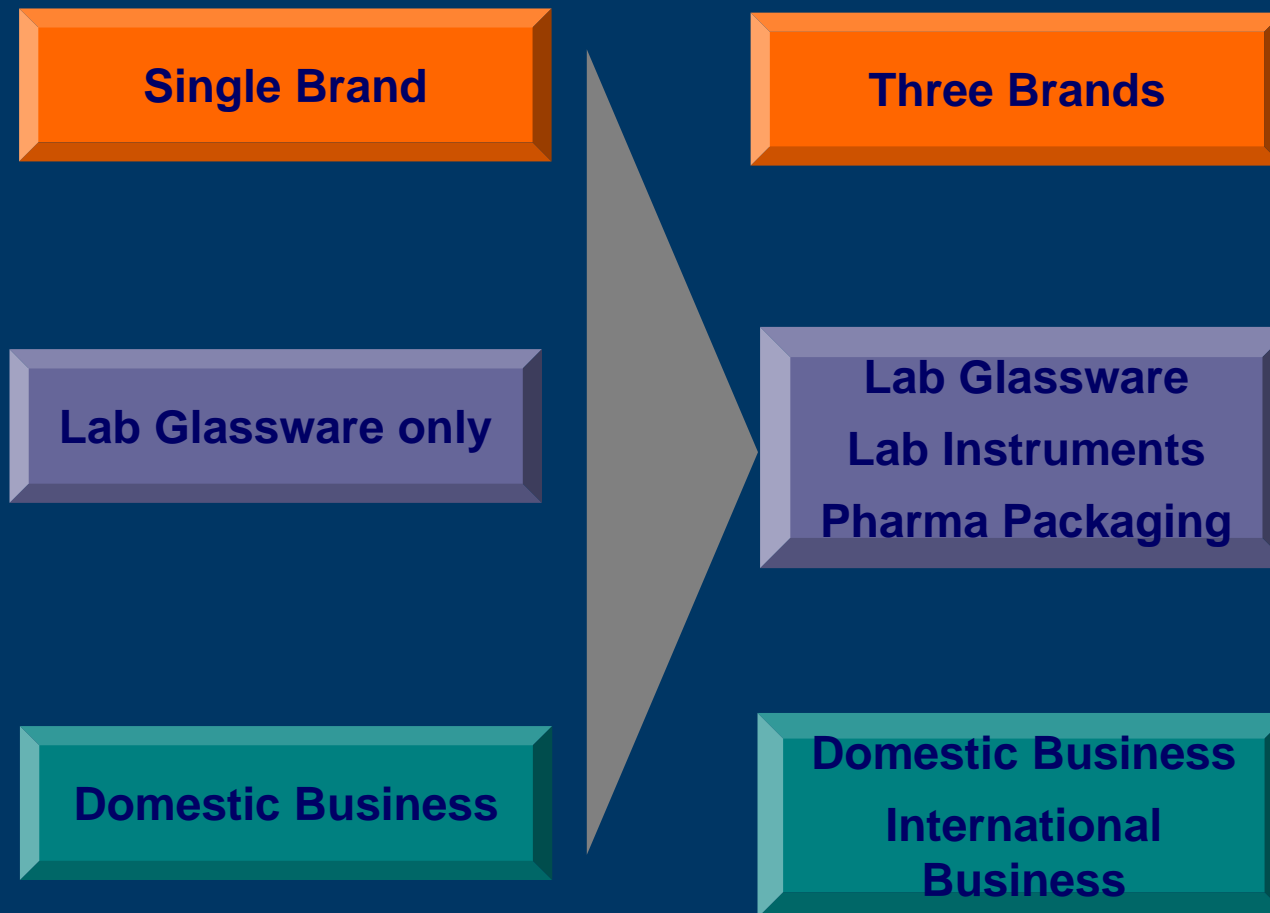
	2012-13	2017-18	CAGR%
Brands	1	4	
Sales (INR Cr.)	135	431	26%
Operating EBITDA (INR Cr.)	12	63	39%

## Re-Imagining Borosil Consumer Products Division





## Re-Imagining Borosil SIP Division



# BOROSIL<sup>®</sup>

*Gujarat Borosil Ltd.*



# Gujarat Borosil Limited (GBL)

**BOROSIL®**

## Financial Highlights – YTDQ3FY19

Rs. In Crores				
Segment	FY18	YTD Q3FY18	YTD Q3FY19	Growth %
Revenue	199.8	145.0	154.6	4.8%
EBITDA	39.1	29.5	36.4	17.5%
EBITDA %	19.6%	20.4%	23.5%	
PAT	7.0	3.7	9.2	145.7%





## *Strong Growth Prospects*

- **Strong Government impetus to solar energy with 100 GW capacity target by 2022**
  - Policy initiatives
- **Anti-dumping duty against Chinese solar glass imposed**
- Exports emerging as a growth kicker
- Top-tier Solar & Pattern Glass domestic & international clients
- Company undertaking brownfield expansion to more than double existing capacity
- Sales growth 10.7% CAGR FY13-18, with strong EBITDA margins (19.7% in FY18 )





## *Competitive Advantage*

- *Market Leadership in Indian Solar Glass Market*
  - Cost competitive with China supplies
- *State of the art manufacturing with strong testing and R&D infrastructure*
  - High degree of product innovation to drive down total cost of ownership for end customers
  - Implemented facility for tempering thinner (2mm) glass that has high potential in domestic & international markets
- *Preferred brand of High quality Solar glass*
  - Lowest iron content, world's only antimony-free glass
  - Anti-reflective coating
  - High light transmissions & highest glass efficiency
  - High resistance to Potentially Induced Degradation



# Gujarat Borosil Limited (GBL)

**BOROSIL®**

## Key Customers - Domestic

**WAAREE®**  
One with the Sun

**EMMVEE**

**TATA**  
**TATA POWER SOLAR**

**PV POWER TECH**

**MicroSun**

**Topsun®**  
Future is Secured

**BHEL**  
Maharaja Company

**LANCO**

**vikram****solar**

**GOLDI | GREEN™**  
SOLAR PV MODULES

**HHV**



# Gujarat Borosil Limited (GBL)

## Key Customers – International



Spain



Kenya



Croatia



Spain



Italy



Italy



US



US



ASTROENERGY

Germany



ubbink

Kenya



ECOPROGETTI

Italy



Greece



Germany

**BOROSIL®**





## *Proposed Scheme of Amalgamation*

### **Company has proposed a Scheme of Amalgamation & Demerger amongst Related Companies :**

#### **A. Companies to be merged in BGWL**

- Vylina, a promoter held co & 3P manufacturer for BGWL
- Fennel Investments, an associate co with cross holdings
- Gujarat Borosil (25% equity held by the company) in solar glass business

#### **B. Simultaneously demerger of**

- Consumer and Scientific ware business into Borosil Ltd. (Formerly known as Hopewell Tableware Ltd. ) - a 100% subsidiary of BGWL
  - Includes the Vylina business and BGWL's 70.2% ownership of Klasspack
- Resultant Structure:
  - BGWL will be renamed Borosil Renewables Ltd. and house the Solar Business
  - Borosil Limited and house the Consumer ware and Scientific ware businesses
  - No cross holdings
  - Both companies to be independently listed

## **New Shareholding**

- Upon merger, shareholders of Gujarat Borosil (GBL) will receive 1 BGWL share for 2 GBL shares held
- On demerger into BL, shareholders of BGWL will receive 1 BL share for 1 BGWL share held.
- BGWL will be renamed Borosil Renewables Ltd.

Consequently:

- Shareholder with 100 shares in BGWL today will own 100 shares in Borosil Limited and 100 shares in Borosil Renewables Ltd.
- Shareholder with 100 shares in GBL today will own 50 shares of Borosil Limited and 50 shares of Borosil Renewables Ltd.



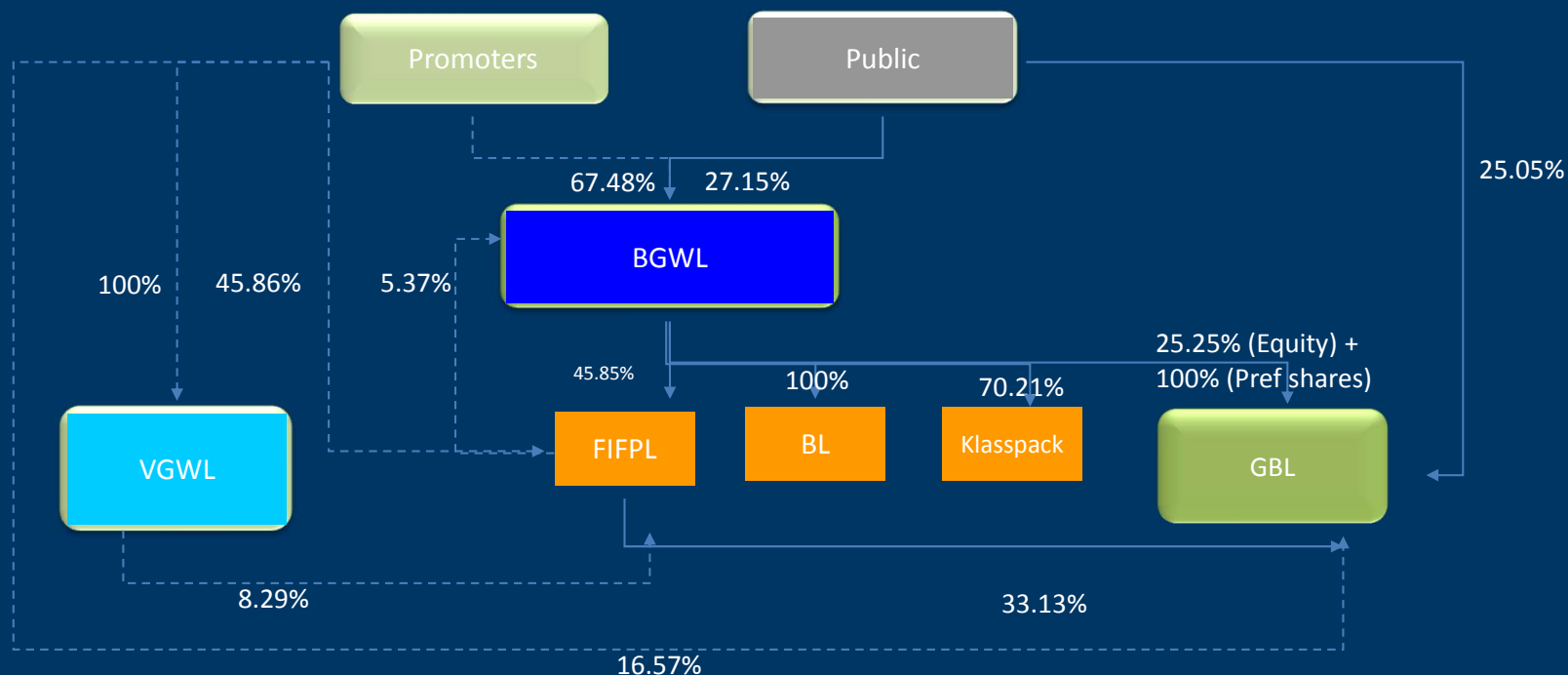
## Scheme Implementation

- Scheme was advised by PwC.
- Valuation by SSPA & Co. Fairness Report by Keynote Corporate Services Ltd.
- The company has proposed Oct 1, 2018 as the appointed date.
- The scheme is subject to approval of relevant authorities and shareholders of the co.
- The process is expected to be completed by Q1FY20.

### **Expected benefits of the Scheme**

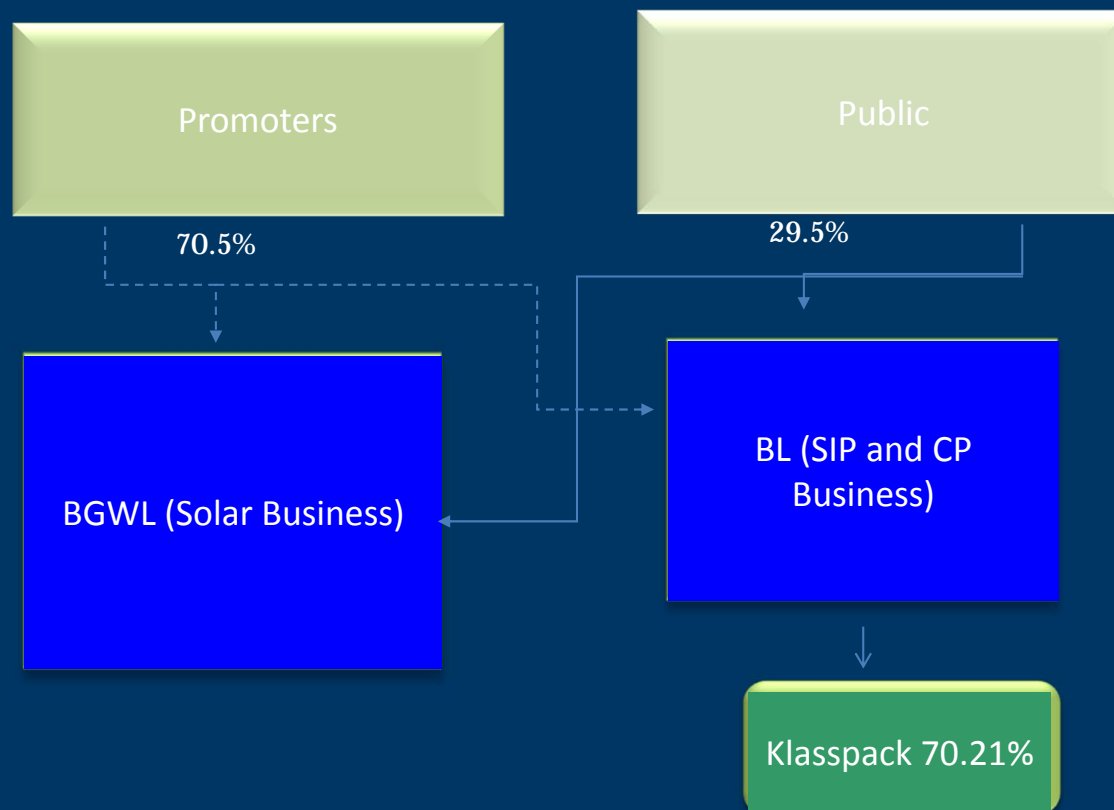
- Eliminates related party transactions
  - Vyline & BGWL, GBL & BGWL
- Significantly simplifies holding structure & eliminates cross holding
- Gives shareholders the choice to own the Borosil Ltd and/or Borosil Renewables Ltd. businesses independent of each other
  - Currently BGWL shareholders indirectly own a part of GBL's business
- Vyline comes into the company fold
  - EBITDA in FY18: 14.7 crore
- Rationalizes some administrative costs

## Current Holding Structure



- Borosil Glass Works limited ('BGWL') (listed on BSE and NSE) and Gujarat Borosil Limited ('GBL') (listed on BSE).
- Borosil Limited (Formerly known as Hopewell Tableware Ltd)('BL') is a wholly owned subsidiary of BGWL
- Vylene Glass Works Ltd ('VGWL') is held by Promoter of BGWL
- Fennel Investment & Finance Pvt Ltd ('FIFPL') is held by BGWL and Promoter of BGWL and is registered with RBI as NBFC and is itself a promoter of BGWL
- It is now proposed to merge GBL, VGWL and FIFPL with BGWL and demerge SIP and CP business into BL followed by listing of BL.

## Resultant Holding Structure



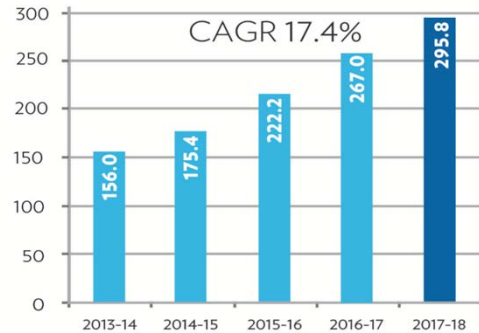
Effective promoter and promoter group holding of BGWL and GBL will come down to 70.5% as against current holding of BGWL 72.85% and GBL 75.95% subject to all statutory approvals.

### Swap ratio :

- 200 shares of BGWL(Post bonus) against 81 equity shares of Vylene
- 200 shares of BGWL (Post Bonus) against 109 equity shares of Fennel
- 1 shares of BGWL(Post bonus) against 2 equity shares of GBL
- 1 shares of BL against 1 equity shares of BGWL

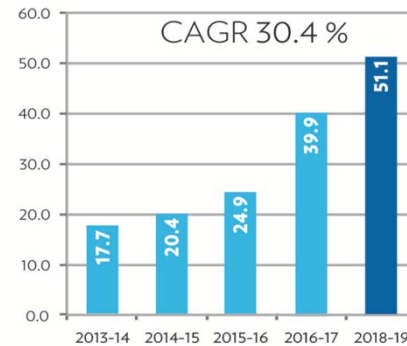
### Net Revenue from Operations

(₹ in crore)



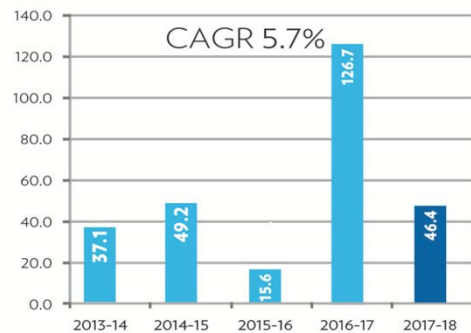
### EBITDA from operations

(₹ in crore)



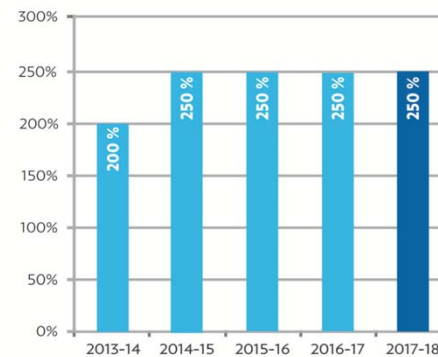
### PAT

(Including income from investments)  
(₹ in crore)



### Dividend

(%)





## Financial Highlights (Stand-alone)

		2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Revenue From Operations	(Rs. lacs)	<b>29,583</b>	26,700	22,221	17,542	15,595
Profit Before Tax	(Rs. lacs)	<b>7,027</b>	13,792	1,502	6,352	4,166
Profit Before Tax as % on Revenue From Operations		<b>23.75</b>	51.66	6.76	36.21	26.72
Tax expenses	(Rs. lacs)	<b>2,389</b>	1,123	(55)	1,437	452
Profit After Tax	(Rs. lacs)	<b>4,637</b>	12,669	1,557	4,916	3,715
Dividend	(%)	250	250	250	250	200
Net Earnings per Share *	(Rs.)	<b>20.07</b>	54.85	5.35	16.35	12.36
Shareholders' Funds	(Rs. lacs)	<b>82,169</b>	77,175	63,620	69,746	65,734
Book Value per Share *	(Rs.)	<b>356</b>	334	275	232	219
Return on Investment	(%)	<b>6.84</b>	17.56	3.76	7.06	5.73

Figures for the year 2015-16 to 2017-18 are as per Ind AS compliant and for other years all the figures is shown as per previous GAAP.

\* On 15th September, 2017, the Company has sub-divided its equity shares of Rs. 10/- each into 10 equity share of Re. 1/- each. The Earning Per Share and Book Value per share for the previous years has been recomputed to give effect of the sub-division of the equity shares.

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*Thank you*