

October 31, 2018

The DCS- CRD BSE Limited Corporate Relationship Department 1 st Floor, New Trading Ring, Rotunda Building, P. J. Towers, Dalal Street, Mumbai- 400 001	National Stock Exchange of India Ltd 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 September 30, 2018

Enclosed presentation on Company's performance for the quarter ended September 30, 2018.

You are requested to take the same on record.

Thanking you.

Yours faithfully,

For Borosil Glass Works Limited

Gita Yadav

Company Secretary

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)

H1FY19 Highlights – Sales

				Rs. In Crores
Segment	FY18	H1FY18	H1FY19	YTD Growth %
SIP				
- BGWL (Labware)	149.8	55.8	68.7	23.1%
- Klasspack*	36.3	17.2	20.7	20.1%
Total SIP	186.1	73.0	89.4	22.4%
Consumerware				
- BGWL	146.1	73.6	90.4	22.9%
- Hopewell*	100.2	57.0	70.9	24.2%
Total Consumerware	246.2	130.6	161.3	23.5%
Total	432.3	203.6	250.7	23.1%

* 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 13.9% and Consumerware 28.0%. Overall growth is 23.0%.

H1FY19 Highlights

	Rs. In Crores			
Segment	FY18	H1FY18	H1FY19	Growth %
<u>EBITDA from Operations</u>				
- BGWL	51.1	20.5	21.7	6.1%
- Hopewell	7.3	10.5	14.8	41.4%
- Klasspack	4.7	2.6	0.6	-76.6%
Total	63.1	33.5	37.2	10.8%
EBITDA%	14.6%	16.5%	14.8%	
<u>PAT (Including Income from Investments)</u>				
- BGWL	56.2	23.7	27.7	16.9%
- Hopewell	-6.8	2.0	0.0	-97.9%
- Klasspack	-0.2	0.4	-1.2	-407.9%
Total	49.2	26.0	26.5	1.9%

Vyline EBITDA (not included above) for H1FY19 is Rs. 6.7 crores as compared to Rs. 5.2 crores in H1FY18.

- From 1st April, 2018 the Company has adopted the recently notified IndAS 115. Without this, actual EBITDA is Rs. 36.4 crores (14.5%) and PAT is Rs. 26.0 crores.



BOROSIL®

Consumer Products Division (CPD)



Consumer Product Division (CPD)

Product Range & Positioning

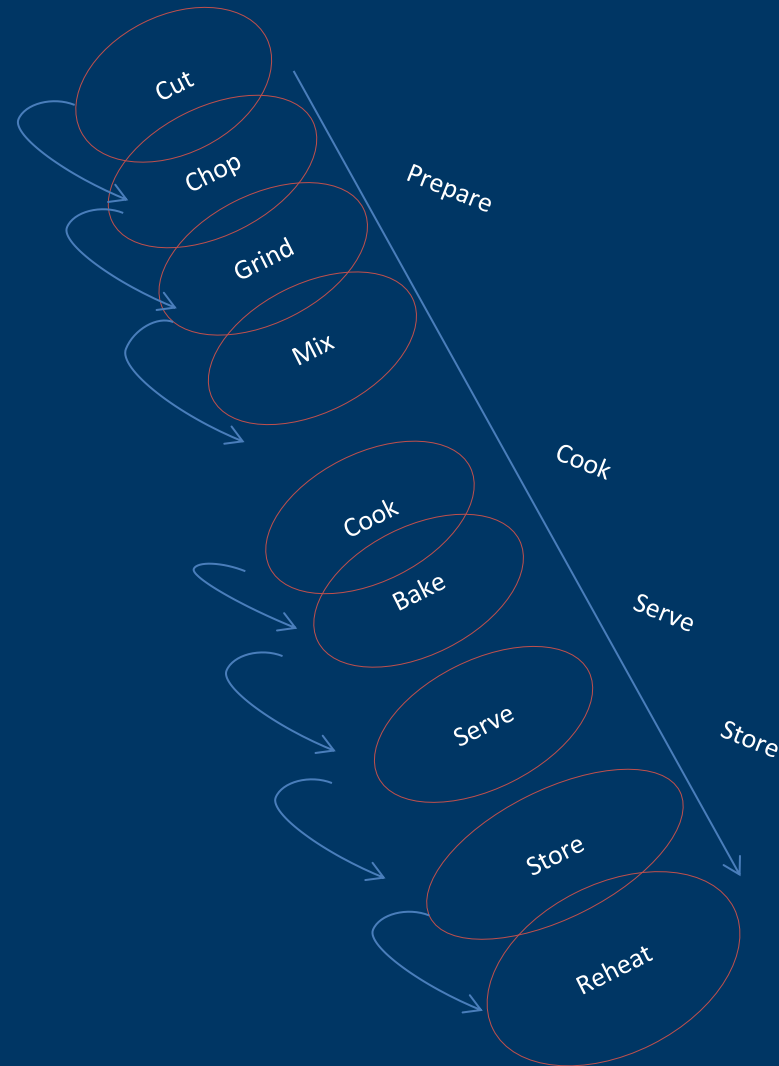
Ally for the progressive homemaker



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)

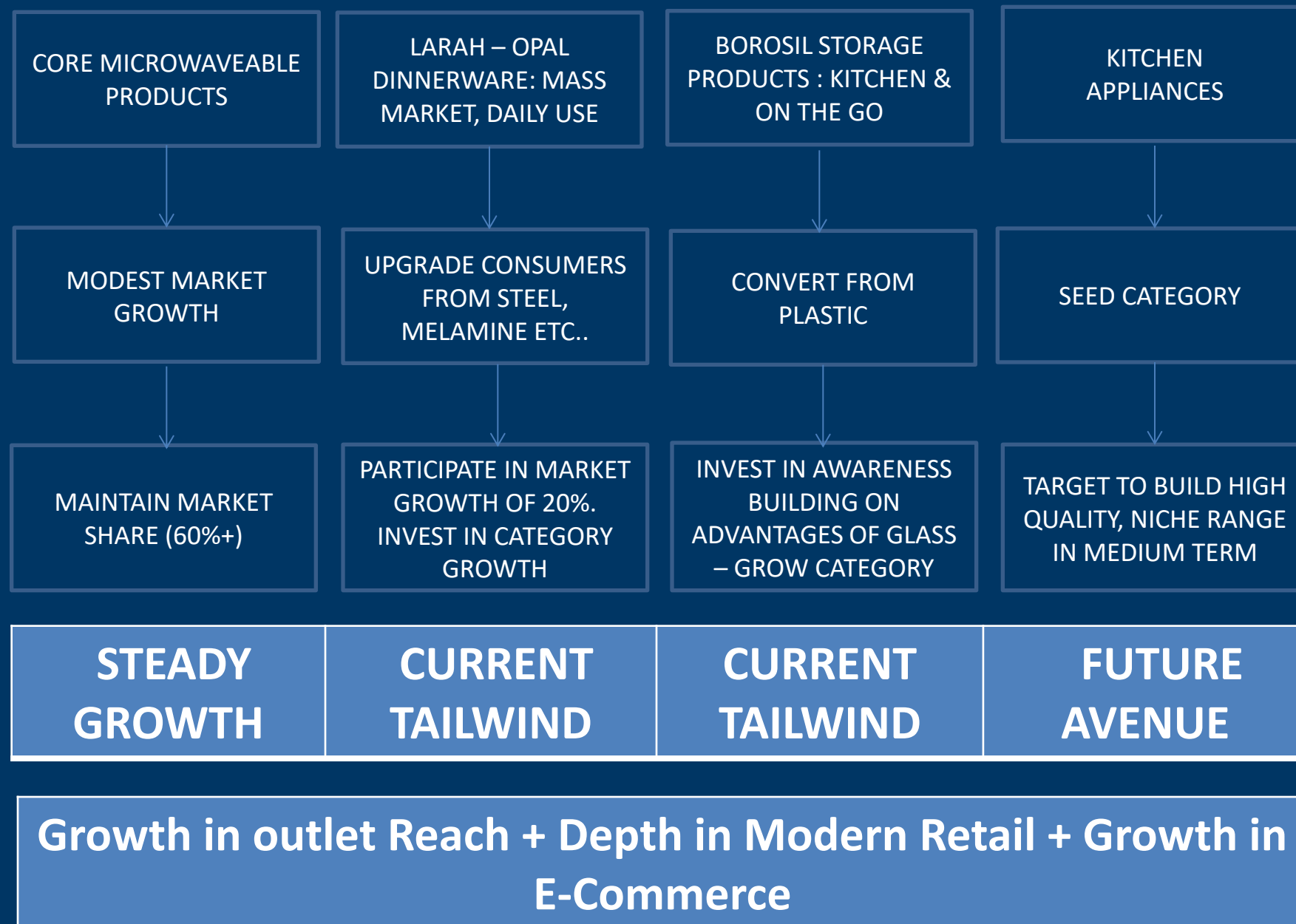
Opportunity

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 (by Q4FY19)
 - Product mix and measured price increases
 - Operating leverage with scale on advertising & fixed overheads
- Revenue H1FY19 70.9 crore (Growth 24.2%)



Storage Range

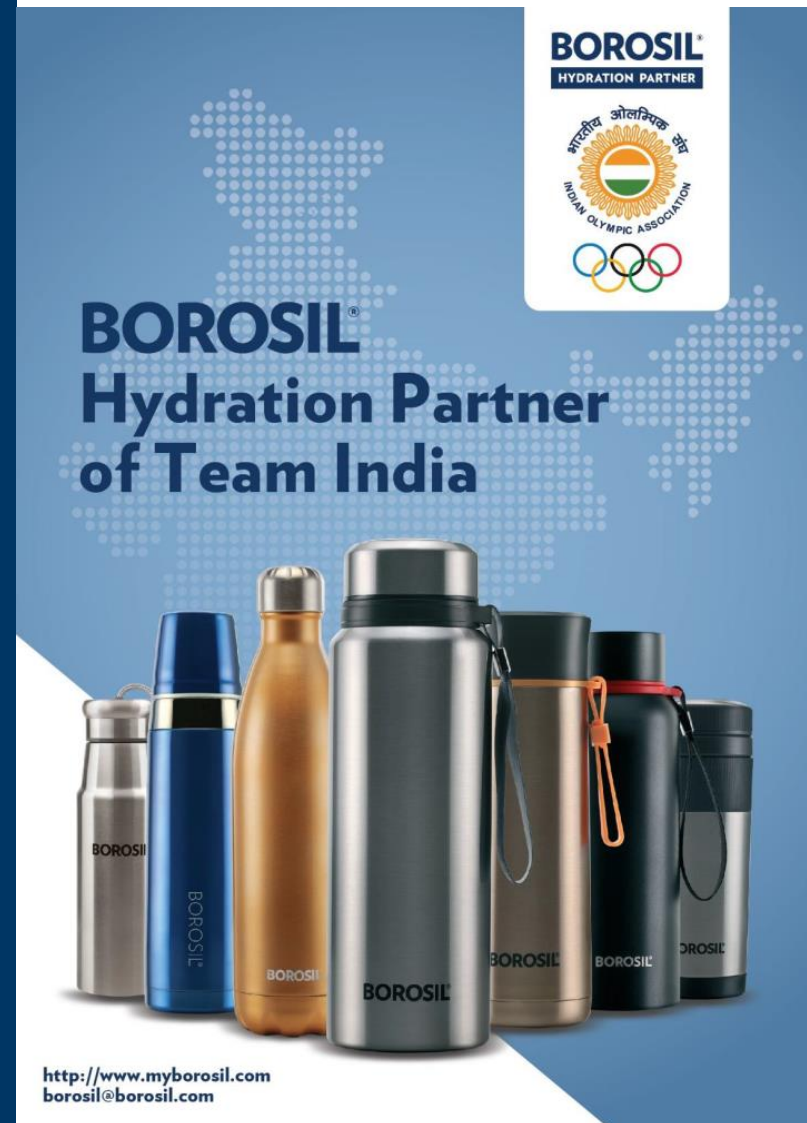
- Indian kitchen storage dominated by plastic and steel
 - Very low penetration of glass storage
- Awareness of Glass as a superior option on the rise
 - No health hazard as in some types of plastic
 - Transparent as against opaque steel & plastic getting stained and translucent over time
 - Looks as 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)

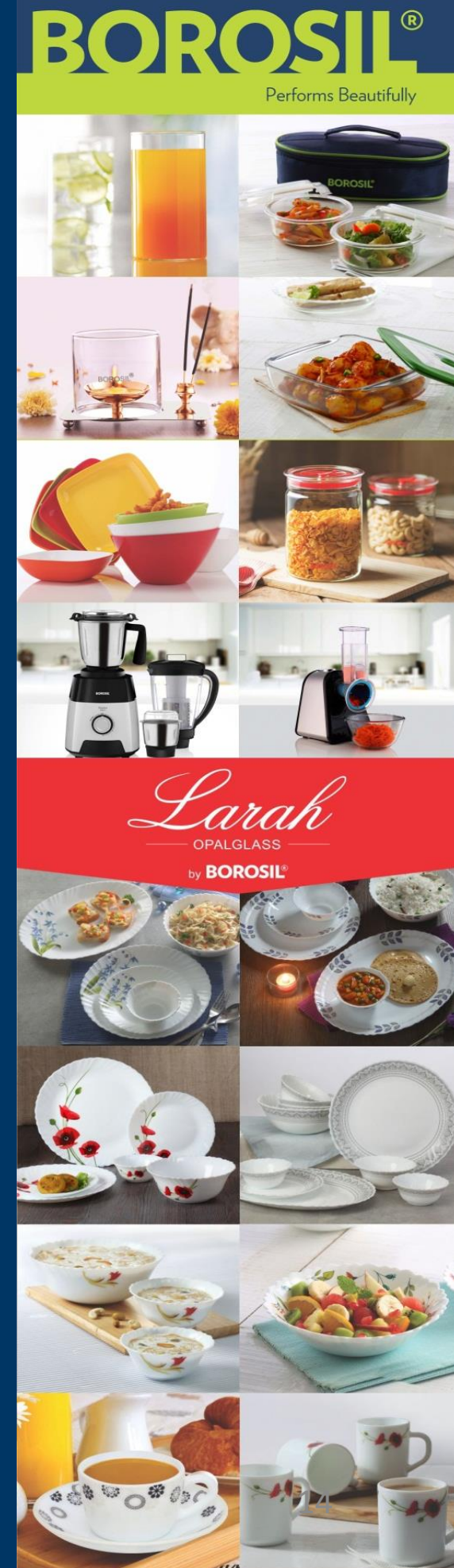
Multiple Distribution Channels

- Serviced by 200 distributors & 10K independent retail outlets (GT) : ~55% - 60% sales
 - Can expand to 12K to 15K outlets
- Listed with most Modern Retail chains and B2B: ~10-15% sales
 - Increase depth & list more products from range
- Retailed through leading E-Commerce market-places : ~5% sales
 - Opportunity to grow through e-comm. exclusive ranges
- B2B Institutional customers and CSD sales: ~20-25% 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
**LABQUEST**
BY **BOROSIL**
- **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)

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- **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**

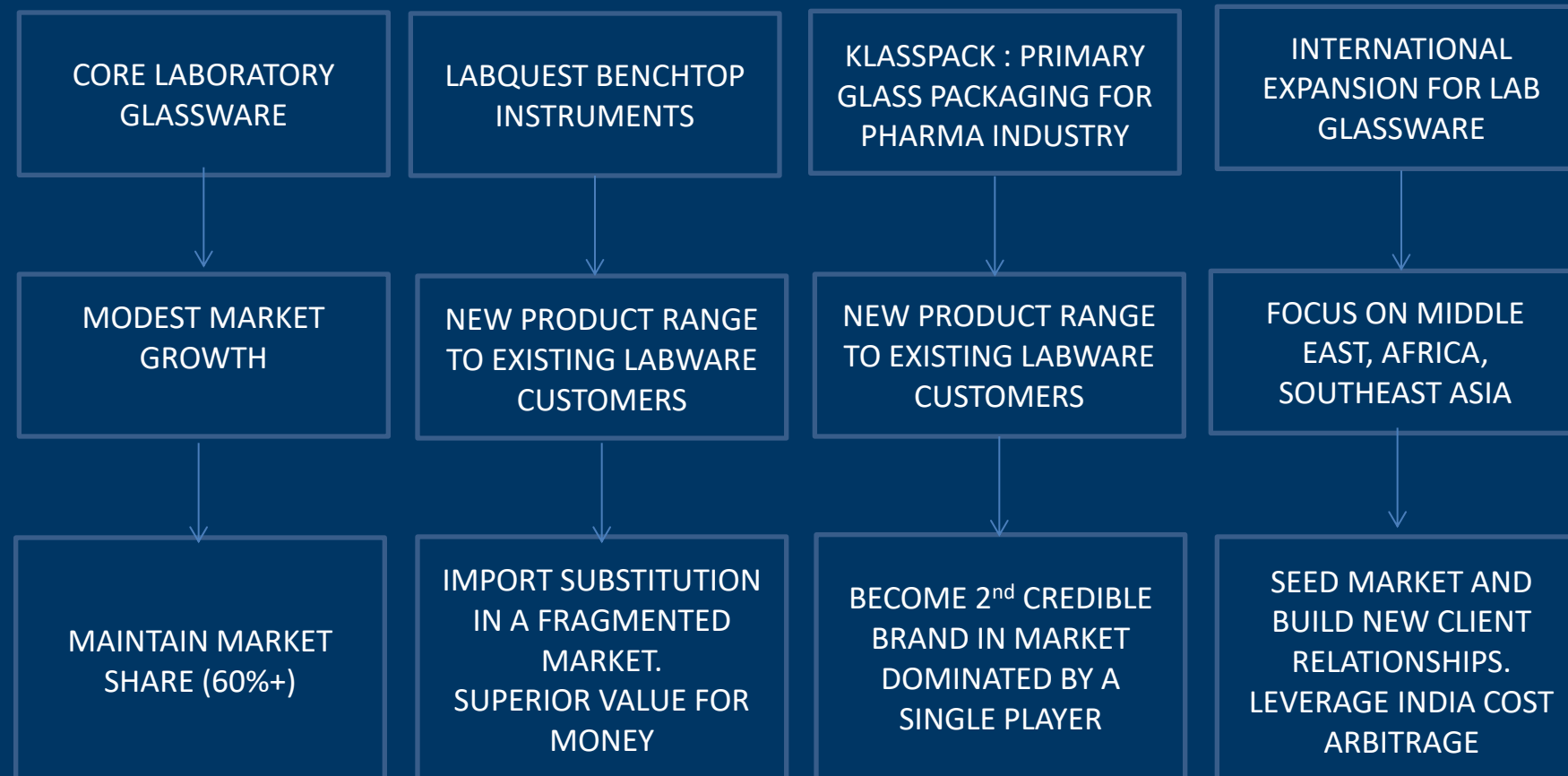
- Labglass (Domestic) ~64% (Fragmented competition)
- Labglass (International): Recent market entry, FY18 revenue: INR 9.3 Cr
- Lab Instruments : Recent market entry through “LabQuest”
- Pharma Packaging (Tubular Glass): Klasspack FY18 revenue: INR 36.3 Cr (net of Excise duty).

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.



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 H1FY19: INR 20.7 crore (growth 20%)

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

Zy⁺dus
dedicated to *life*

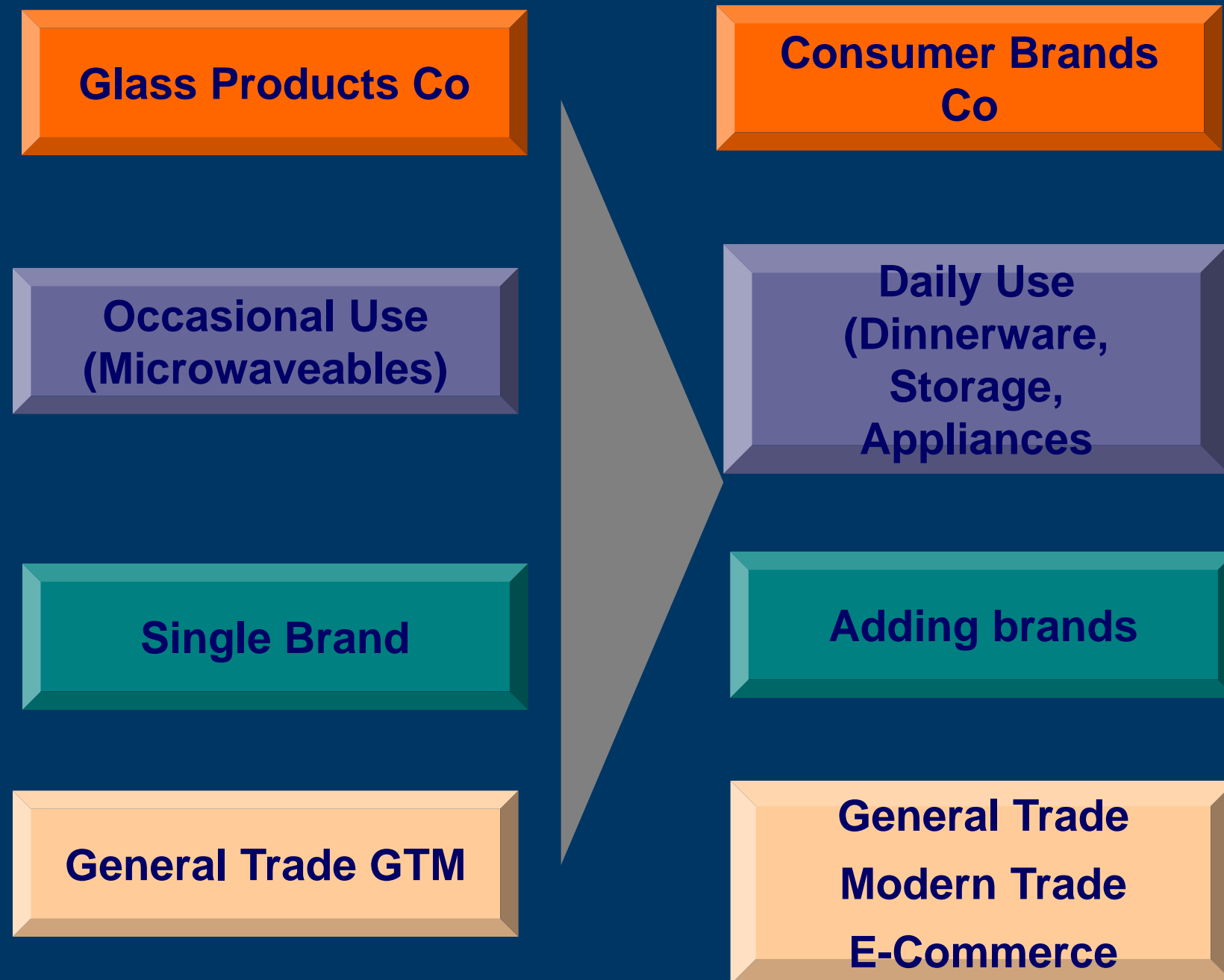

TEVA
TEVA PHARMACEUTICALS

- **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

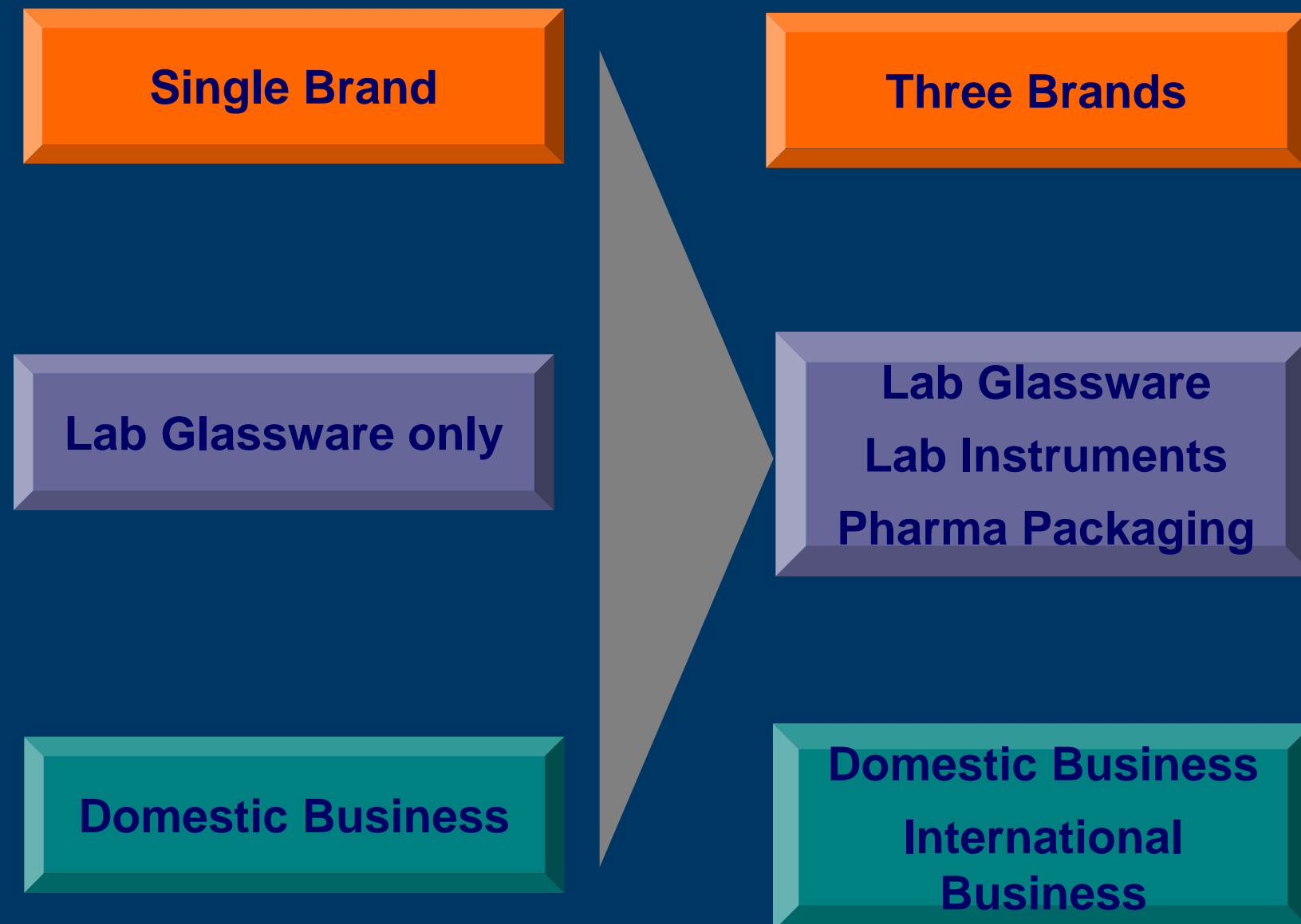
Journey over last 6 years

	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[®]

Gujarat Borosil Ltd.



Financial Highlights – H1FY19

Segment	Rs. In Crores			
	FY18	H1FY18	H1FY19	Growth %
Revenue (Incl. of Excise duty)	199.8	92.2	105.7	6.8%
EBITDA	39.1	17.9	26.7	22.3%
EBITDA %	19.6%	19.5%	25.2%	
PAT	7.0	1.5	8.6	457.9%



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

बी एच ई एल
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

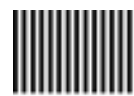


ASTROENERGY

Germany



ubbink *Kenya*



ECOPROGETTI

Italy



Greece



Germany

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Proposed Scheme of Amalgamation

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

A. Companies to be merged in BGWL

- Vylene, 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 Hopewell Tableware (HTL) - a 100% subsidiary of BGWL
 - Includes the Vylene business and BGWL's 70.2% ownership of Klasspack
- Resultant Structure:
 - BGWL will be renamed Borosil Renewables Ltd. and house the Solar Business
 - HTL will be renamed 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 HTL, shareholders of BGWL will receive 1 HTL share for 1 BGWL share held.
- BGWL will be renamed Borosil Renewables Ltd. and HTL will be renamed Borosil Limited

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.

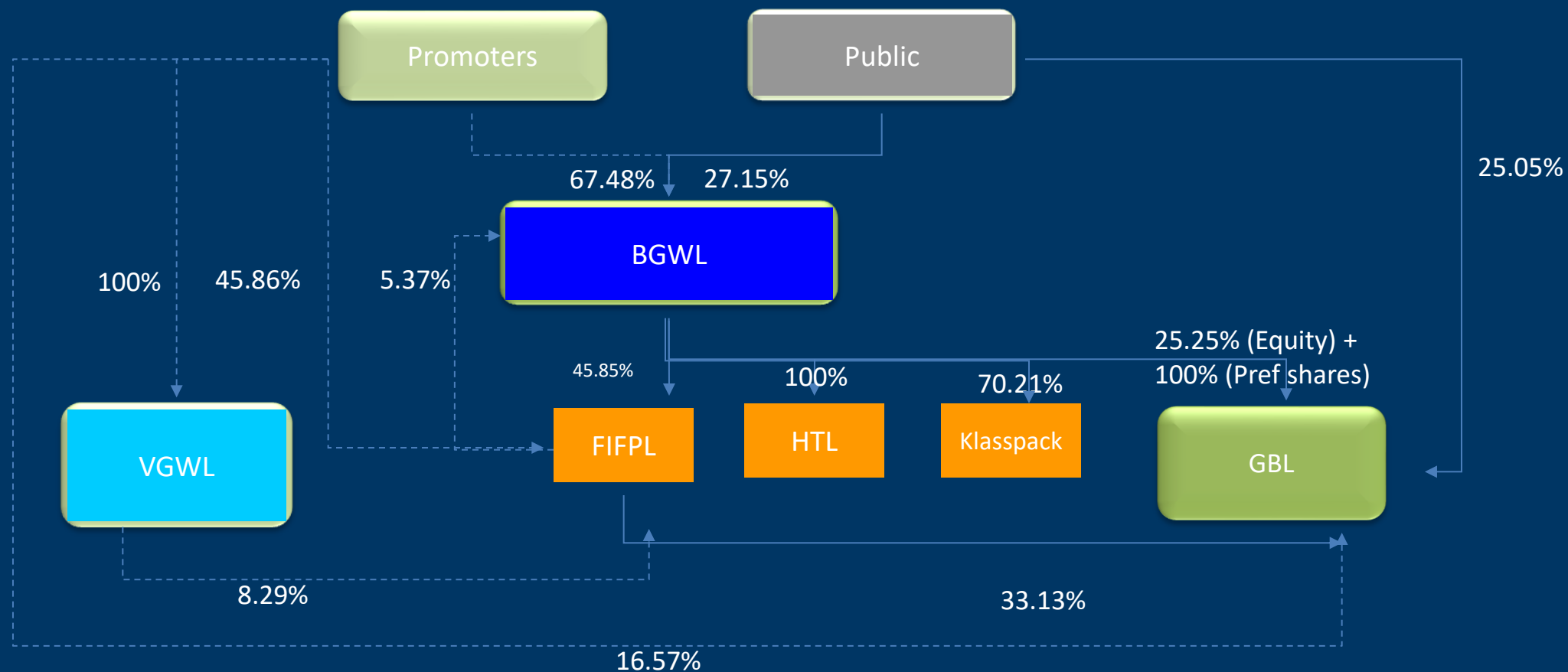
Scheme Implementation

- 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

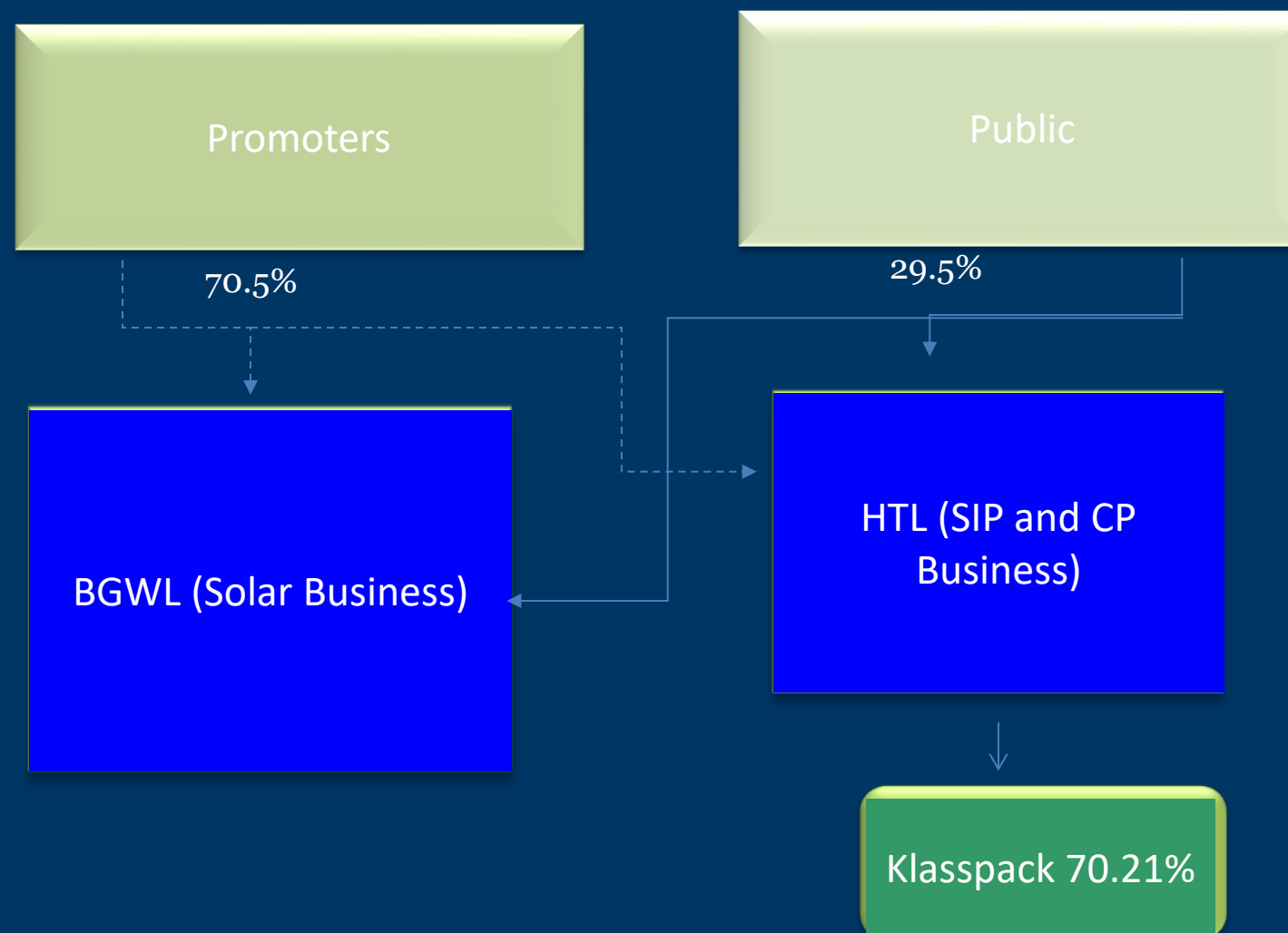
- Eliminates related party transactions
 - Vylene & BGWL, GBL & BGWL
- Significantly simplifies holding structure & eliminates cross holding
- Gives shareholders the choice to own the Borosil Ltd and/or Borosil Renewables Ltd. businesses independent of each other
 - Currently BGWL shareholders indirectly own a part of GBL's business
- Vylene 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).
- Hopewell Tableware Ltd ('HTL') 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 HTL followed by listing of HTL.

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 HTL against 1 equity shares of BGWL

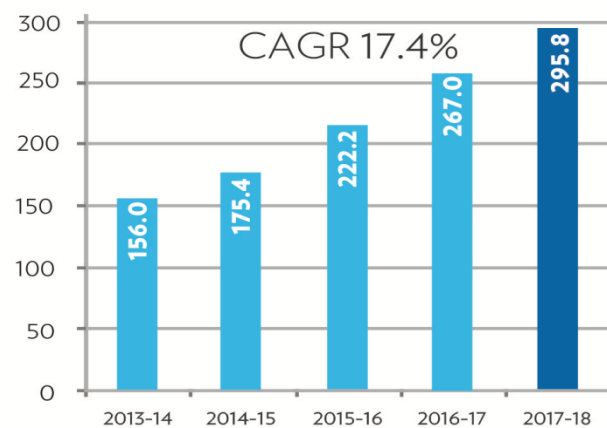
Borosil Glass Works Limited

Five Years Financial Highlights (Stand-alone)

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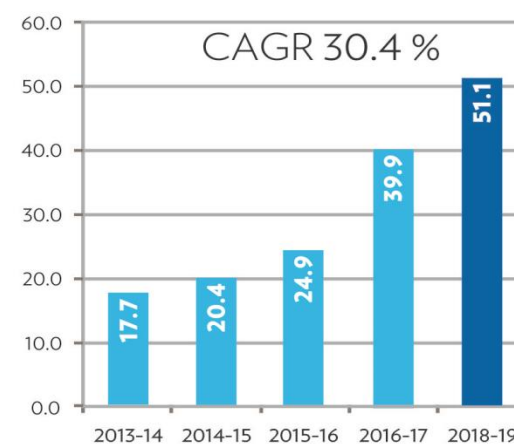
Net Revenue from Operations

(₹ in crore)



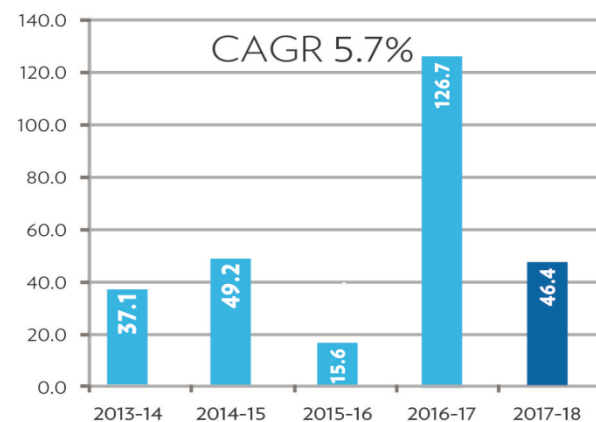
EBITDA from operations

(₹ in crore)



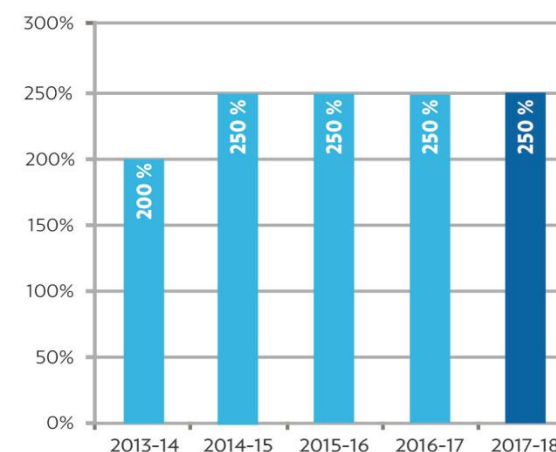
PAT

(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)	29,583	26,700	22,221	17,542	15,595
Profit Before Tax	(Rs. lacs)	7,027	13,792	1,502	6,352	4,166
Profit Before Tax as % on Revenue From Operations		23.75	51.66	6.76	36.21	26.72
Tax expenses	(Rs. lacs)	2,389	1,123	(55)	1,437	452
Profit After Tax	(Rs. lacs)	4,637	12,669	1,557	4,916	3,715
Dividend	(%)	250	250	250	250	200
Net Earnings per Share *	(Rs.)	20.07	54.85	5.35	16.35	12.36
Shareholders' Funds	(Rs. lacs)	82,169	77,175	63,620	69,746	65,734
Book Value per Share *	(Rs.)	356	334	275	232	219
Return on Investment	(%)	6.84	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. Dividend for the year 2017-18 are proposed dividend subject to shareholders approval.

* 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.

Disclaimer

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Thank you