

BOROSIL®**Borosil Glass Works Limited**

CIN : L99999MH1962PLC012538

Registered & Corporate Office :

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August 06, 2019

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 June 30, 2019**

Enclosed presentation on Company's performance for the quarter ended June 30, 2019.

You are requested to take the same on record.

Thanking you.

Yours faithfully,
For **Borosil Glass Works Limited****Manoj Dere**
General Manager – Secretarial

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)

Q1FY20 Highlights – Sales

				Rs. In Crores
Segment	FY19	Q1FY19	Q1FY20	YTD Growth %
SIP				
- Labware	154.3	34.7	39.5	13.6%
- Klasspack	41.7	10.3	10.2	-0.4%
Total SIP	196.0	45.0	49.7	10.4%
Consumerware				
- BGWL	203.1	37.4	52.0	39.1%
- Larah	146.9	23.5	27.4	16.6%
Total Consumerware	350.0	60.8	79.3	30.4%
Total	546.0	105.9	129.0	21.9%

Sales figures exclude intercompany Sales

Q1FY20 Highlights

Segment	Rs. In Crores			
	FY19	Q1FY19	Q1FY20	Growth %
EBITDA from Operations				
- BGWL *	51.0	10.2	9.8	-4.5%
- Larah	26.7	2.4	7.3	205.5%
- Klasspack	2.7	0.0	0.8	-
Total	80.3	12.6	17.9	42.0%
EBITDA%	14.7%	11.9%	13.9%	
PAT (Including Income from Investments)				
- BGWL	57.7	11.9	14.6	22.6%
- Larah	-3.3	-4.8	-0.6	-
- Klasspack	-1.8	-0.9	-0.3	-
Total	52.7	6.2	13.6	117.9%

Vyline EBITDA (not included above) for Q1FY20 is Rs. 3.24 crores as compared to Rs. 3.49 crores in Q1FY19.

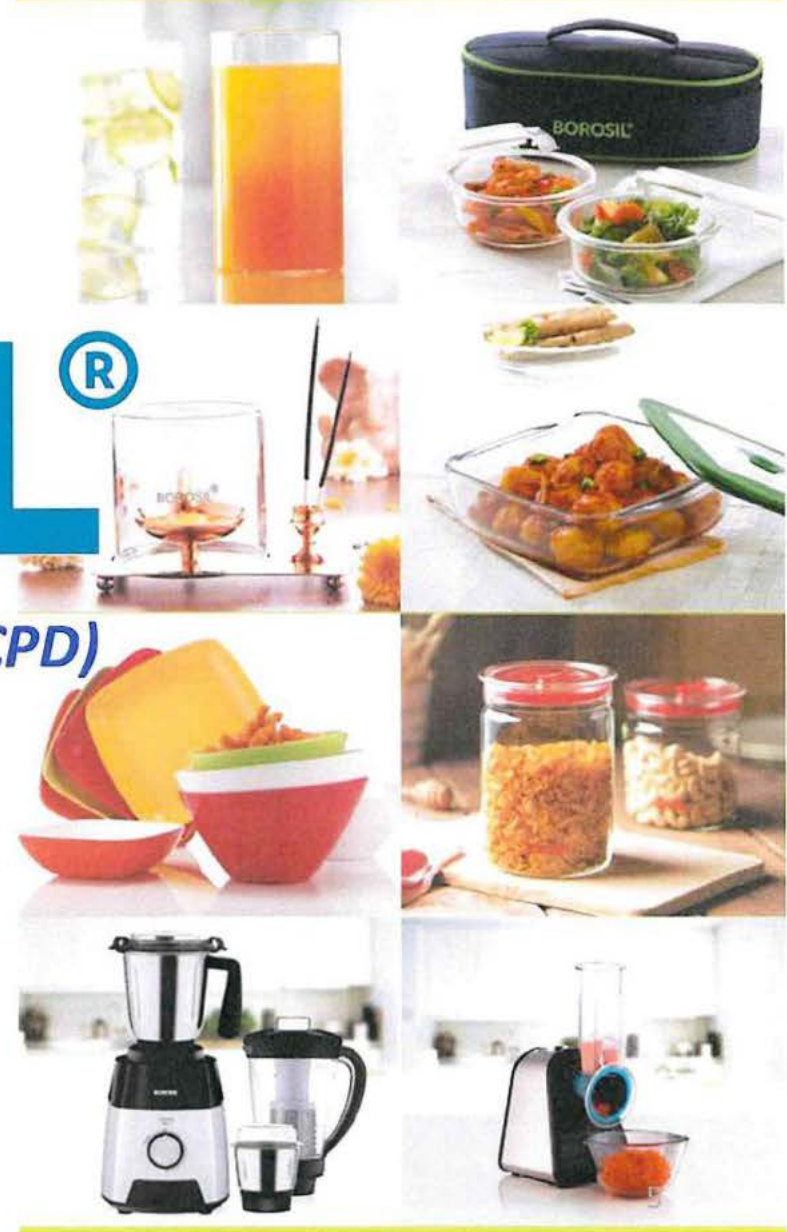
Rs. In Crores	
	Q1FY20
EBITDA as per Result	6.5
Add:	
a) Other income shown in the results includes operational income as well (Interest on overdue Debtors, Loans , Deposits and export incentives etc.)	2.2
b) Other expenses includes expenses related to other income as well.	1.14
* Operating EBITDA	9.8

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Consumer Products Division (CPD)



Consumer Product Division (CPD)

Product Range & Positioning

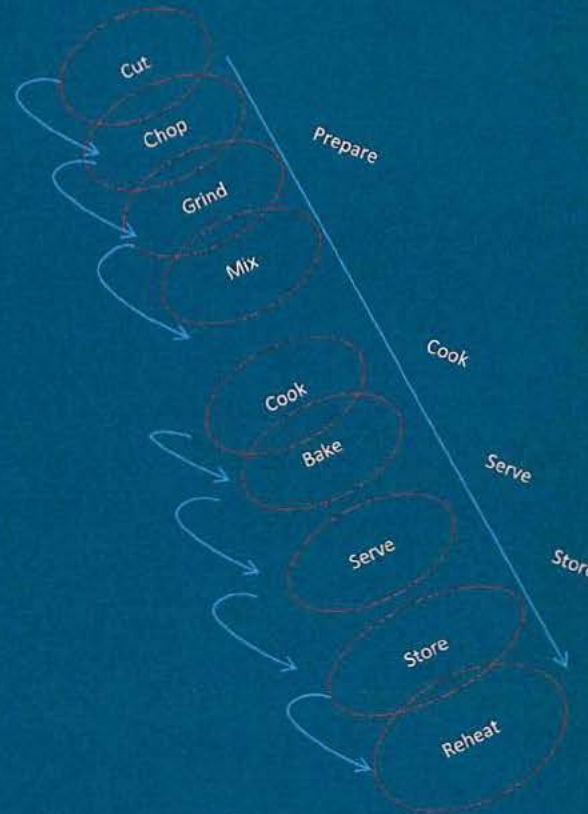
Ally for the progressive homemaker



Everyday



Entire process of Cooking & Serving



Modern, contemporary



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

Consumer Product Division (CPD)

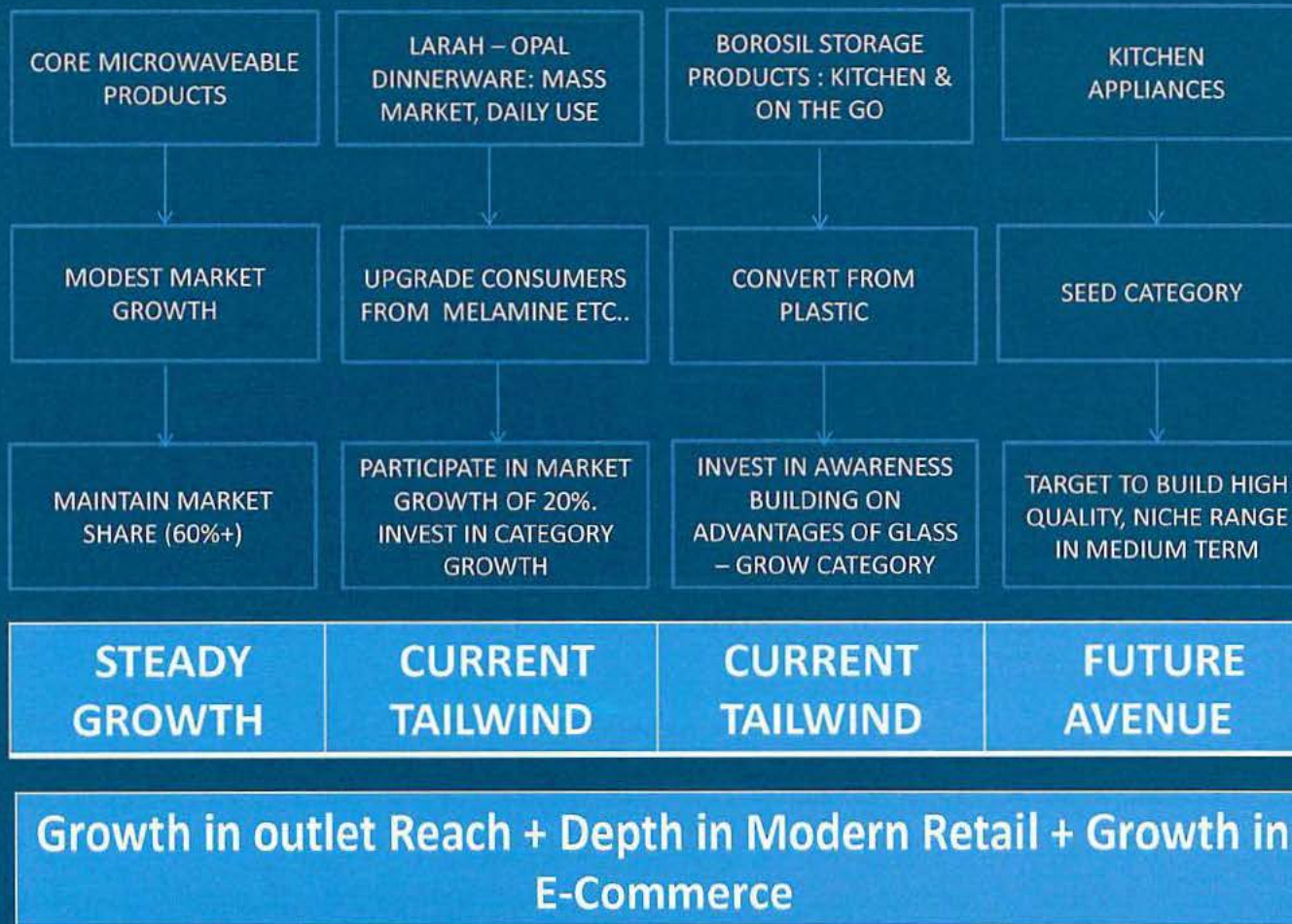
Opportunity

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.
- Opportunity to convert from plastic 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

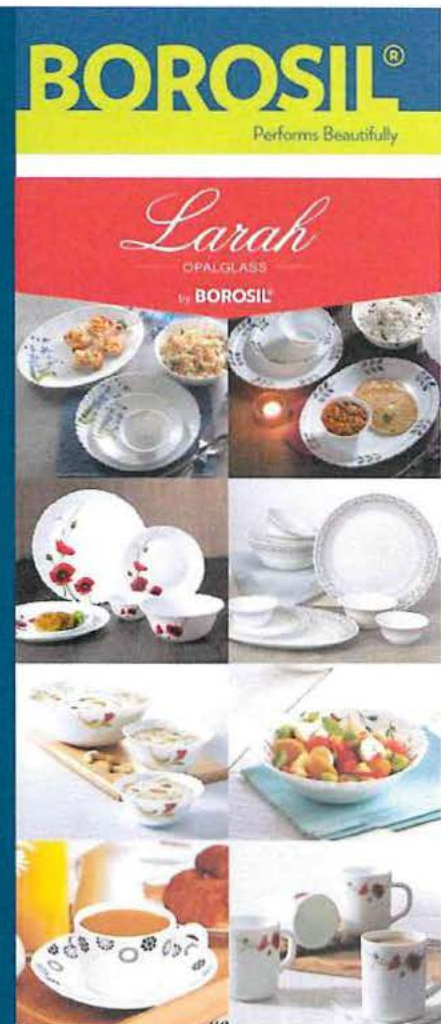
- New product capabilities
 - New product range has received wide market acceptance
 - New Products (introduced in last 3 years) share of Total Sales ~20%
- Borosil is the gold standard on quality
- Strong channel loyalty
- Investment in brand building
 - Few established brands in the category

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Larah – Opal Dinner Ware

- Larah FY19 revenue INR 147 cr - growth of 47%
 - 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 180 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

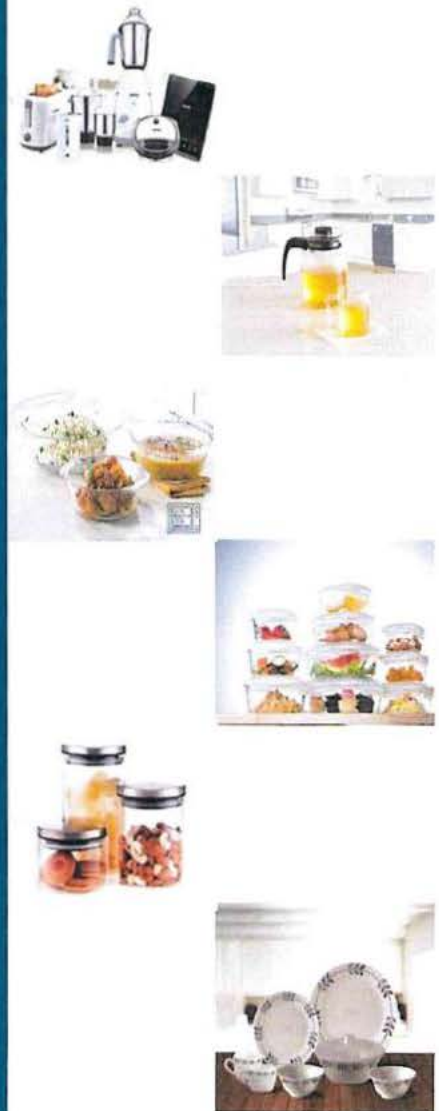


Consumer Product Division (CPD)

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

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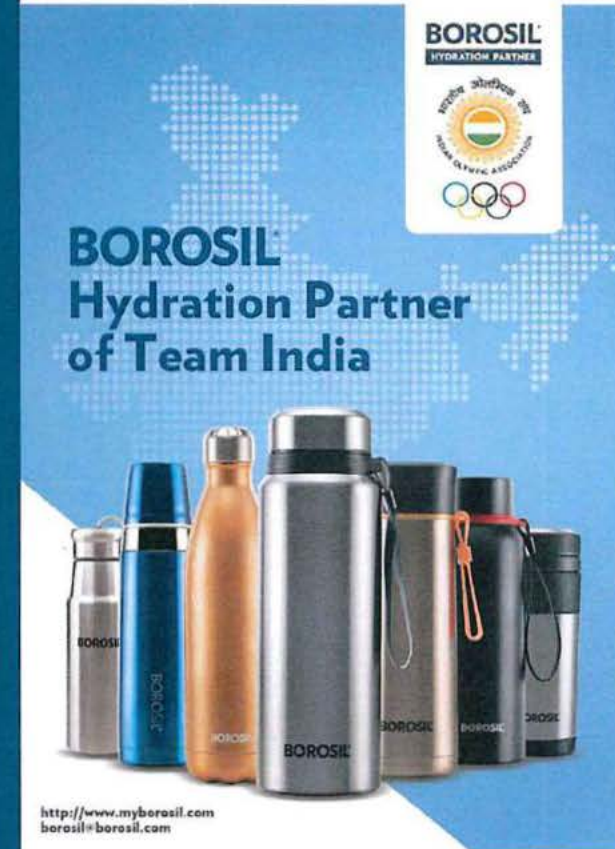


Consumer Product Division (CPD)

National Sponsors of Indian Olympic Association

- Official Hydration Partner to Team India.
- Association upto year 2024.
- An exclusive partner in 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

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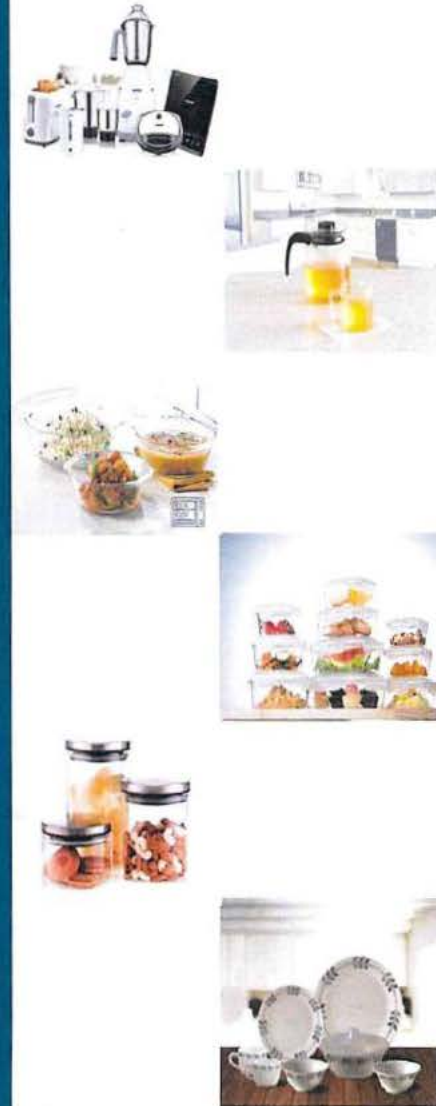


Consumer Product Division (CPD)

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 : ~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

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Consumer Product Division (CPD)

Key Modern Trade Partners

BIG BAZAAR
Is se sasta aur accha kahin nahi!

Walmart
Save money. Live better.

HomeTown
Ab ghar banana kitna aasaan!

DAMart

HomeStop
for your kind of home

METRO

Reliance
RETAIL
Aapki Khushi Hamari Khushi

lifestyle
YOUR STYLE. YOUR STORE.

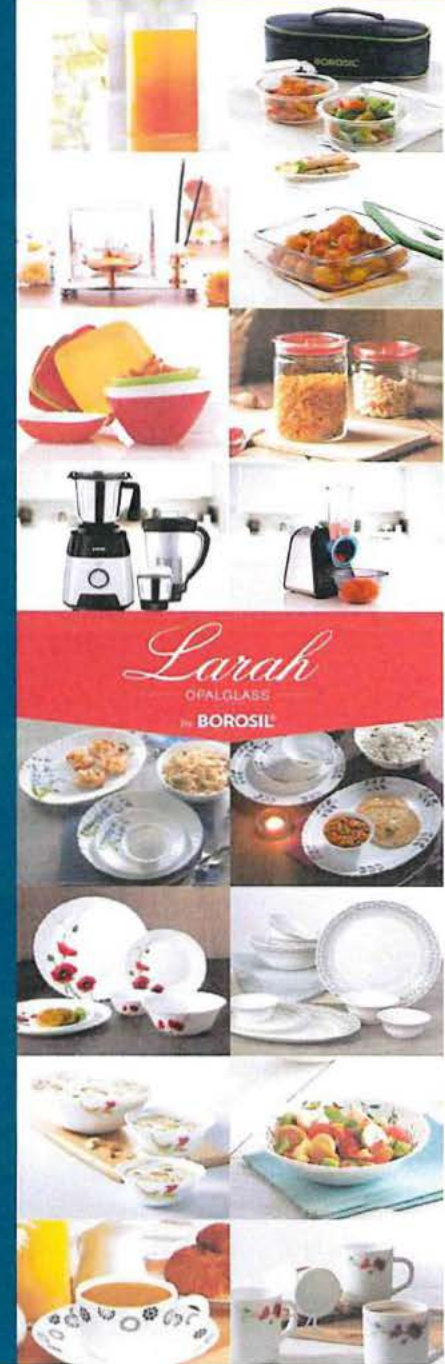
more.

SPAR
There for you

A TATA Enterprise
STAR
Bazaar

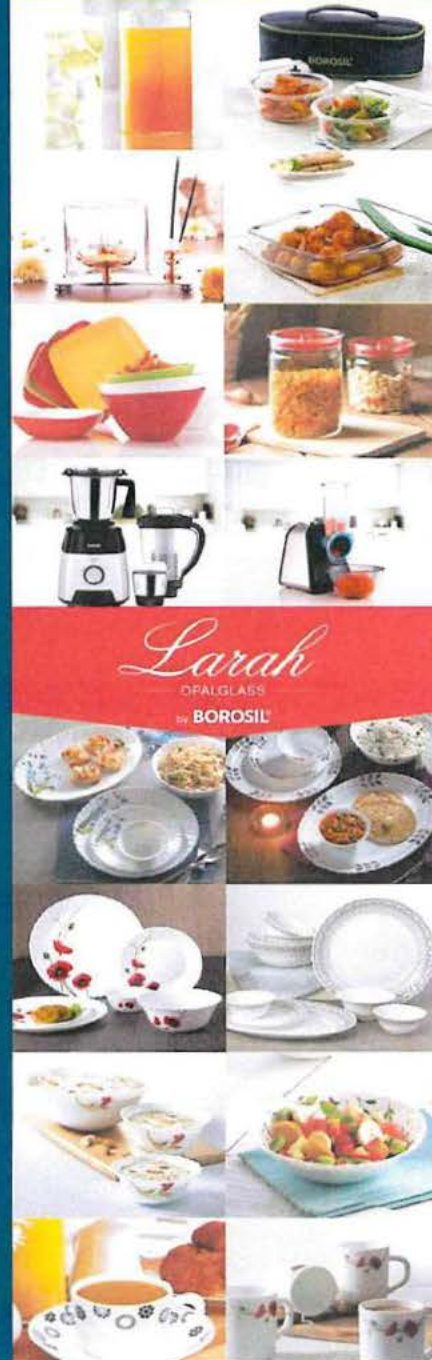
HyperCITY
Big store. Big savings.

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Consumer Product Division (CPD)

Some Key Institutional Customers



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Scientific & Industrial Products (SIP)

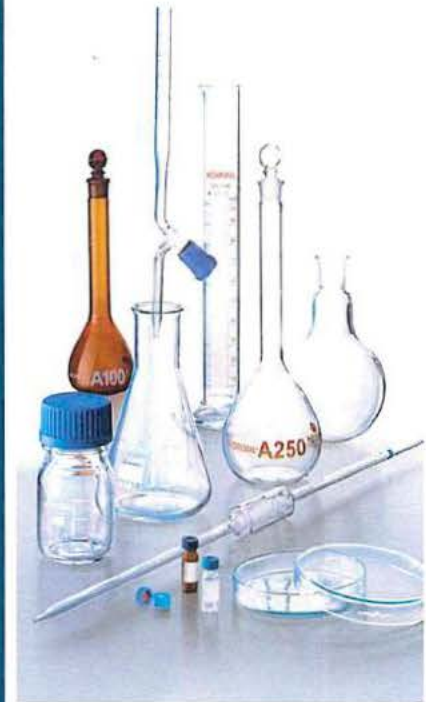


Scientific & Industrial Products (SIP)

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
"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

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*The market leader in
Laboratory Glassware*

Scientific & Industrial Products (SIP)

Product Range

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Product range

- Beakers
- Test Tubes
- Conical Flasks

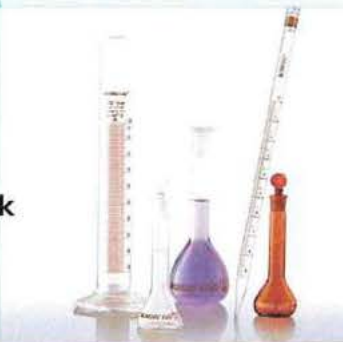


- Bottles
- Volumetric Flasks
- Pipettes



- Burettes
- Petri Dishes
- Cylinders

- Condensers
- Desiccators
- Round Bottom Flask



Scientific & Industrial Products (SIP)

- **Market size**

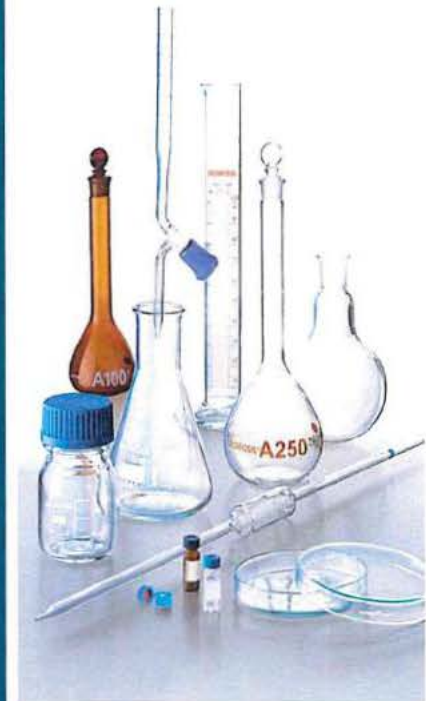
- Lab Glass (Domestic) INR 235 Cr, growth 8-10%
- Lab Glass (International) INR 4000 Cr, growth 0-2%
- Lab Glass (ME/Africa/ SEA) INR 80 Cr, growth 15%
- Lab instruments (Domestic) INR 150 Cr, growth 8-10%
- Pharma Packaging (Tubular Glass): INR 500 Cr, growth 10-12%

- **Market share**

- Labglass (Domestic) ~64% (Fragmented competition)
- Labglass (International): Recent market entry, FY19 revenue: INR 12.3 Cr.
- Lab Instruments : Recent market entry through "LabQuest"
- Pharma Packaging (Tubular Glass): Klasspack FY19 revenue: INR 41.7 Cr .

Note: Market size & growth are internal estimates

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*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.

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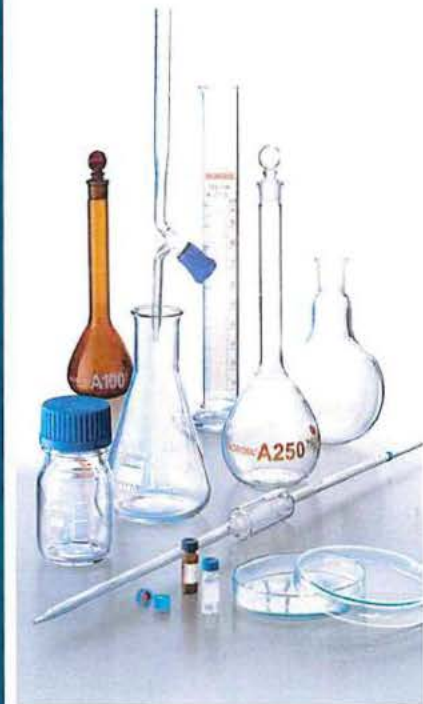
LABQUEST
BOROSIL

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

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*The market leader in
Laboratory Glassware*

Scientific & Industrial Products (SIP)

Acquisition of Klasspack

- Acquired 60.3% in July 2016
 - Increased holding to 74.55%.
- 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 FY19: INR 41.7 Crores (growth 15%)

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BOROSIL
KLASSPACK
pharmaceutical packaging

Glass Ampoules
Tubular Glass Vials



Scientific & Industrial Products (SIP)

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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

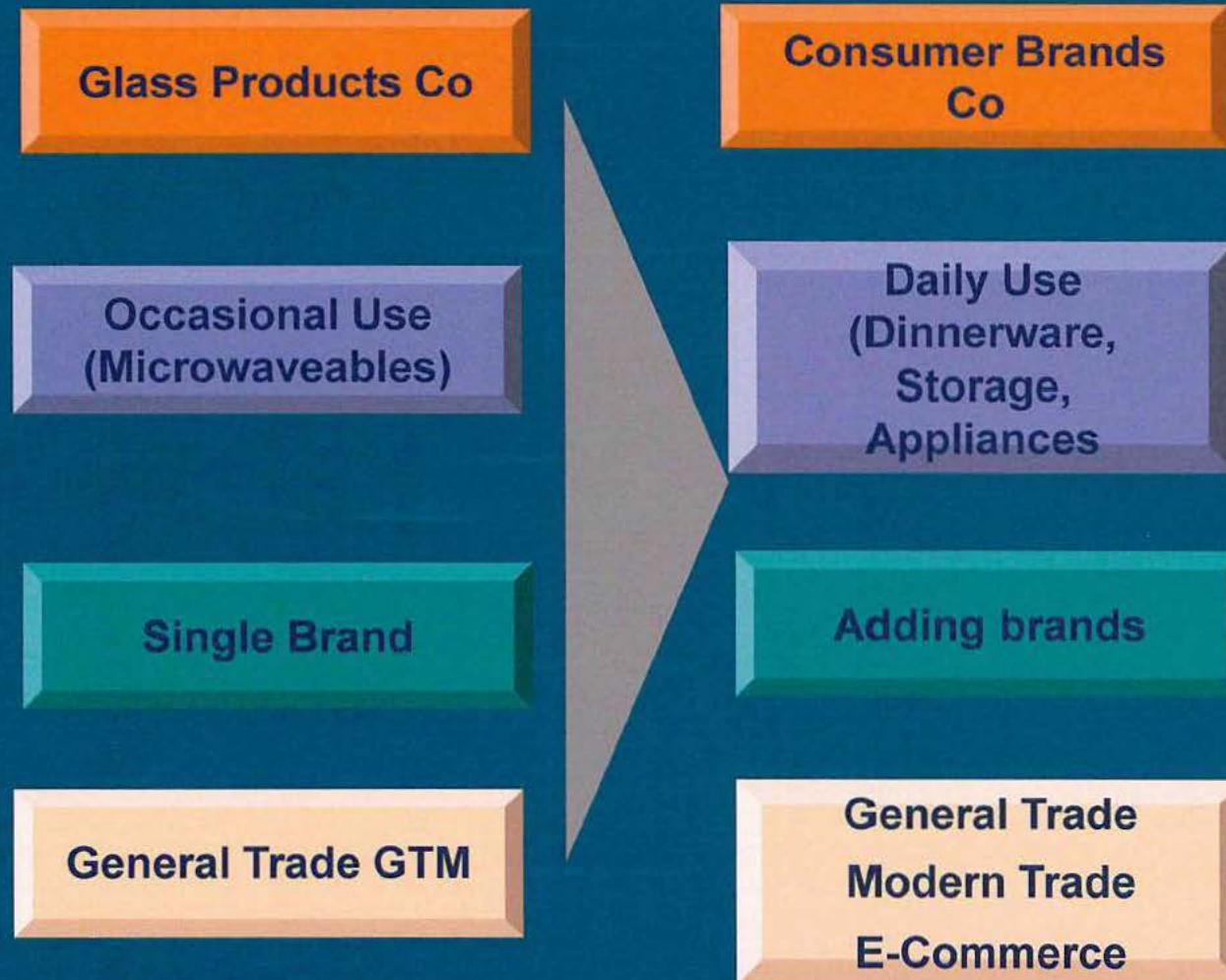
Borosil Glass Works Limited

Journey over last 7 years

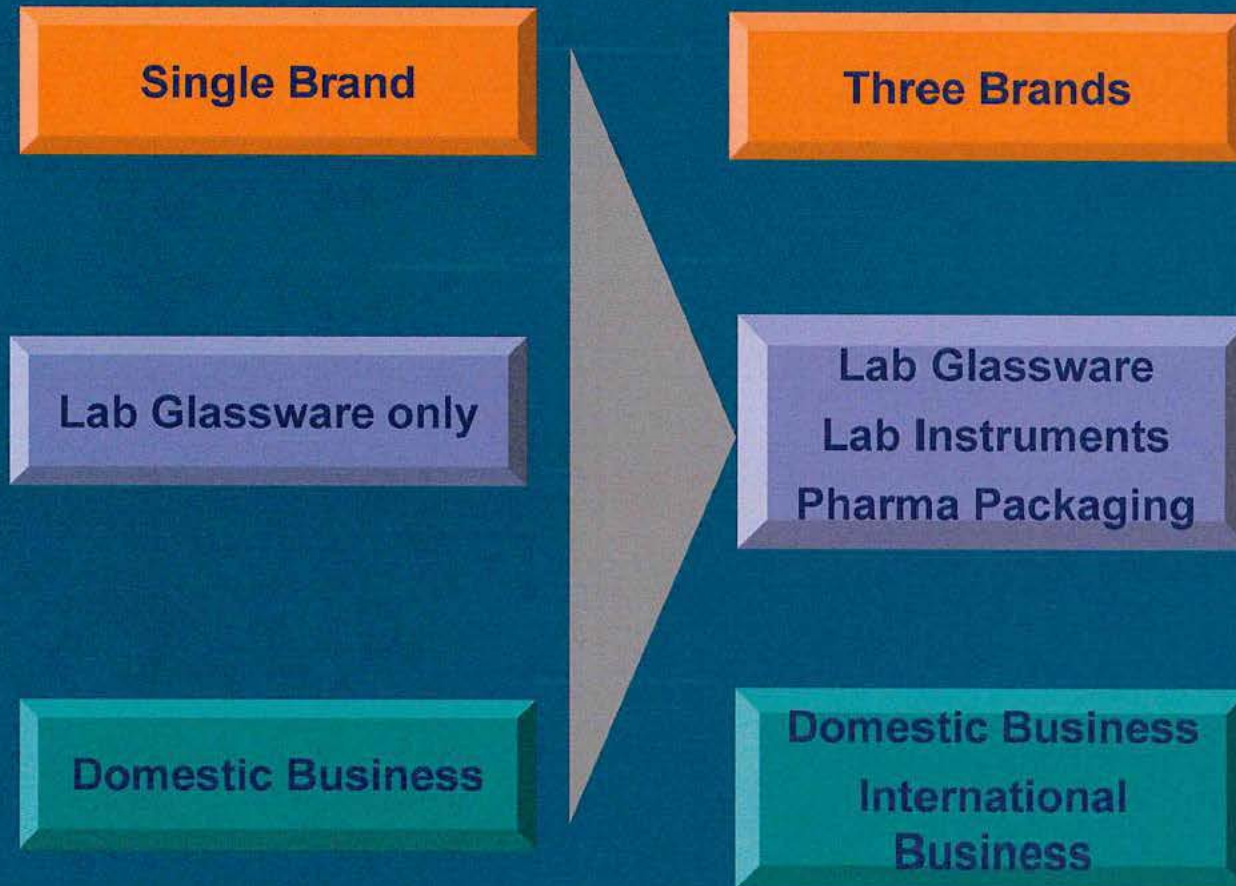
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	2012-13	2018-19	CAGR%
Brands	1	4	
Sales (INR Cr.)	135	546	26%
Operating EBITDA (INR Cr.)	12	80	37%

Re-Imagining Borosil Consumer Products Division



Re-Imagining Borosil SIP Division



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Gujarat Borosil Ltd.



Gujarat Borosil Limited (GBL)

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Financial Highlights – Q1FY20

Particulars		FY 20(Q1)	FY 19(Q1)	FY 19	Growth (QoQ) in %
Revenue From Operations	(Rs. In Crore)	43.82	49.26	216.76	-11.0%
EBITDA	(Rs. In Crore)	3.67	12.11	45.37	-69.7%
Interest	(Rs. In Crore)	2.45	3.23	13.30	-24.2%
Depreciation & Amortization	(Rs. In Crore)	4.26	4.40	17.89	-3.2%
Profit Before Tax	(Rs. In Crore)	(3.04)	4.48	14.17	-168.0%
Profit After Tax	(Rs. In Crore)	(2.09)	3.27	10.01	-164.0%

The furnace is in 10th year of operation as against supplier's assurance of 6 years. Certain quality and production issues were being faced for the last 4 months due to last stage of furnace. These resulted in Lower Annealed glass production and higher wastages in tempering adversely impacting EBITDA. Selling price remained under pressure due to dumped imports from China & Malaysia.

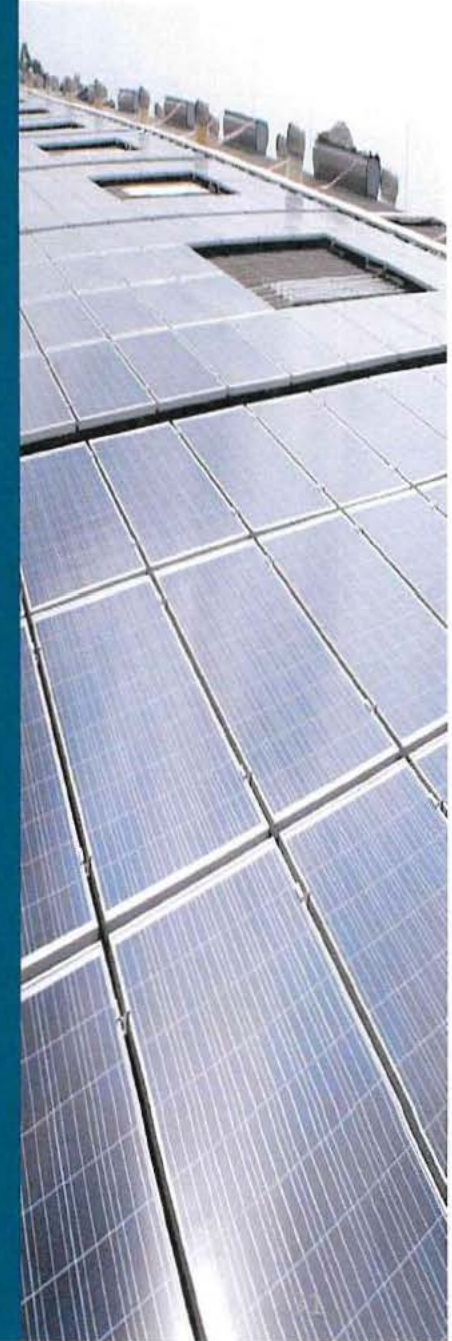


Gujarat Borosil Limited (GBL)

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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 has setup brownfield project and commercial production has started w.e.f. 01.08.2019
- Sales growth 14.6% CAGR FY13-19.



Gujarat Borosil Limited (GBL)

BOROSIL®

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)

Key Customers - Domestic

WAAREE[®]
One with the Sun

EMMVEE

TATA
TATA POWER SOLAR

PV POWER TECH

MicroSun

Topsun[®]
Future is Secured

बीएच ईएम
BHEL
Maharaja Company

LANCO

vikramsolar

GOLDI GREEN[™]
SOLAR PV MODULES

HHV

BOROSIL[®]



Gujarat Borosil Limited (GBL)

Key Customers – International

IGSolar

Spain

solinc
energizing lives

Kenya

SOLVIS
Living with the Sun

Croatia

TERMICOL

Spain

Sunerg
SOLAR ENERGY

Italy

WARIS

Italy

heliodyne
SOLAR HOT WATER

US

SUNEARTH INC.

US



ASTROENERGY

Germany



ubbink Kenya



ECOPROGETTI

Italy

papaemmanouel

Greece

RxSun Solar
„Deutsche Module mit Charakter“

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 Borosil Ltd. (Formerly known as Hopewell Tableware Ltd.) - a 100% subsidiary of BGWL
 - Includes the Vylene business and BGWL's 74.55% ownership of Klasspack
- Resultant Structure:
 - BGWL will be renamed Borosil Renewables Ltd. and house the Solar Business
 - Borosil Limited will 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 Borosil Limited (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.

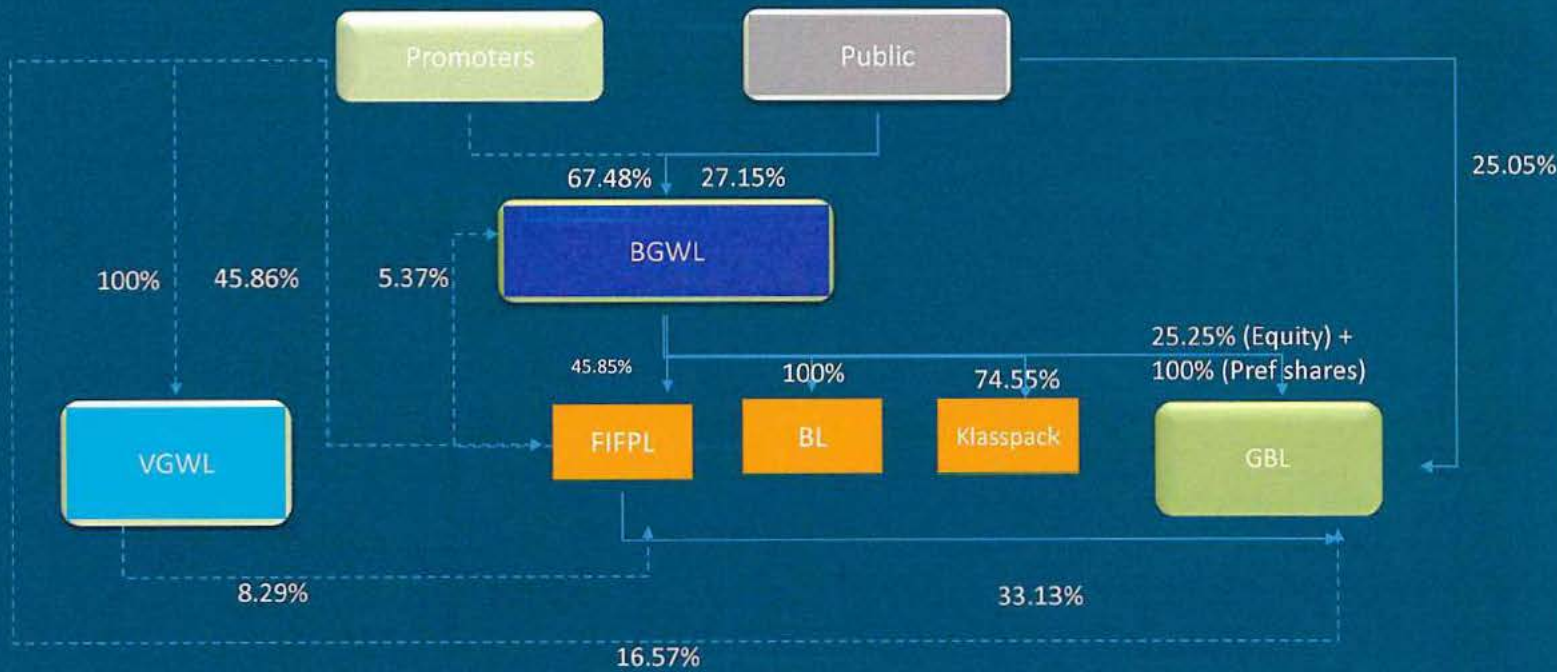
Scheme Implementation

- 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.
- The process is expected to be completed by Q2FY20.

Expected benefits of the Scheme

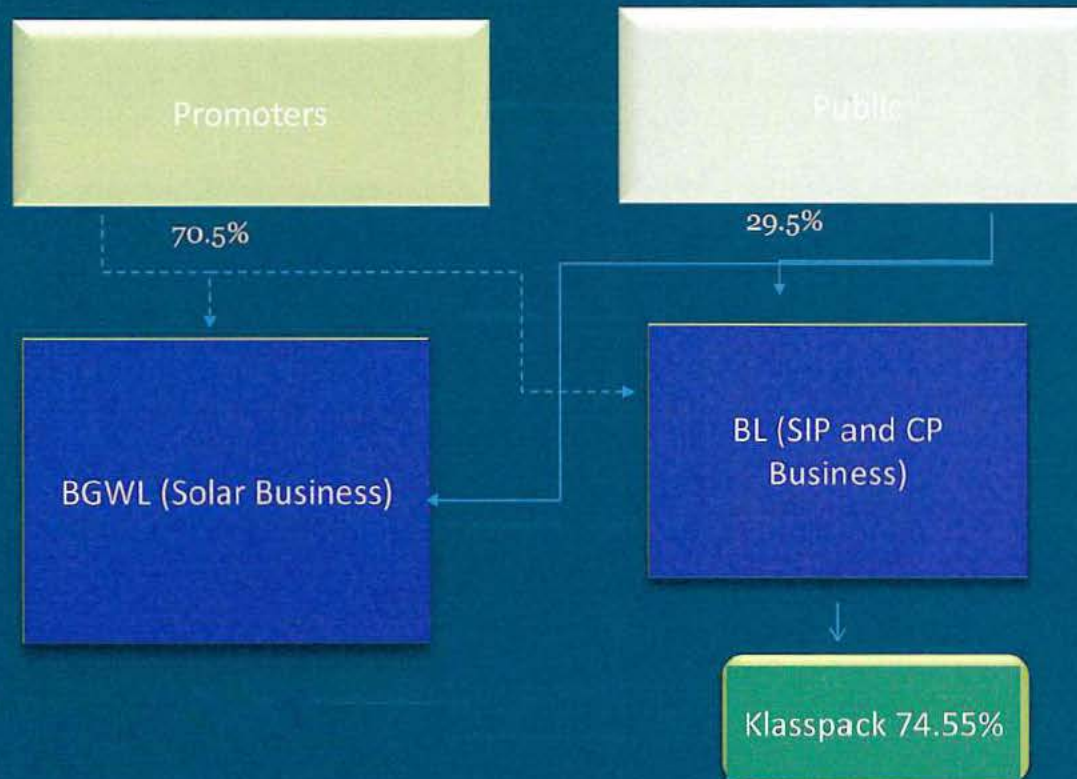
- Eliminates related party transactions
 - Vylene & BGWL, GBL & BGWL
- Significantly simplifies holding structure & eliminates cross holding
- Gives shareholders the choice to own the Borosil Ltd and/or Borosil Renewables Ltd. businesses independent of each other
 - Currently BGWL shareholders indirectly own a part of GBL's business
- Vylene comes into the company fold
 - EBITDA in FY19: 14.4 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 74.95% 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

Disclaimer

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Thank you