

**BOROSIL®****Borosil Glass Works Limited**

CIN : L99999MH1962PLC012538

**Registered & Corporate Office :**1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex,  
Bandra (E), Mumbai - 400 051, India.

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W www.borosil.com

May 13, 2019

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

Dear Sir /Madam,

Scrip Code: 502219

Symbol: BOROSIL

Series: EQ

**Sub: Presentation on Company's performance for the quarter/year ended March 31, 2019**

Enclosed presentation on Company's performance for the quarter/year ended March 31, 2019.

You are requested to take the same on record.

Thanking you.

Yours faithfully,

**For Borosil Glass Works Limited****Gita Yadav****Company Secretary & Compliance Officer****ACS 23280**

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)

## FY19 Highlights – Sales

|                           |              |              |              | Rs. In Crores |
|---------------------------|--------------|--------------|--------------|---------------|
| Segment                   | FY18         | FY19         | YTD Growth % |               |
| <b>SIP</b>                |              |              |              |               |
| - Labware                 | 149.8        | 154.3        | 3.0%         |               |
| - Klasspack*              | 36.3         | 41.7         | 14.8%        |               |
| <b>Total SIP</b>          | <b>186.1</b> | <b>196.0</b> | <b>5.3%</b>  |               |
| <b>Consumerware</b>       |              |              |              |               |
| - BGWL                    | 146.1        | 203.1        | 39.1%        |               |
| - Hopewell                | 100.2        | 146.9        | 46.7%        |               |
| <b>Total Consumerware</b> | <b>246.2</b> | <b>350.0</b> | <b>42.2%</b> |               |
| <b>Total</b>              | <b>432.3</b> | <b>546.0</b> | <b>26.3%</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 9.1% and Consumerware 41.8%. Overall growth is 27.8%.

## FY19 Highlights

| Segment   | Rs. In Crores |              |              |
|---|---------------|--------------|--------------|
|   | FY18          | FY19         | Growth %     |
| <b><u>EBITDA from Operations</u></b>                  |               |              |              |
| - BGWL  | 51.1          | 51.0         | -0.2%        |
| - Hopewell  | 7.3           | 26.7         | 265.3%       |
| - Klasspack   | 4.7           | 2.7          | -42.0%       |
| <b>Total</b>  | <b>63.1</b>   | <b>80.3</b>  | <b>27.4%</b> |
| <b>EBITDA%</b>  | <b>14.6%</b>  | <b>14.7%</b> |              |
| <b><u>PAT (Including Income from Investments)</u></b> |               |              |              |
| - BGWL  | 56.2          | 57.7         | 2.6%         |
| - Hopewell  | -6.8          | -3.3         | -52.1%       |
| - Klasspack   | -0.2          | -1.8         | 704.5%       |
| <b>Total</b>  | <b>49.2</b>   | <b>52.7</b>  | <b>7.1%</b>  |

Vyline EBITDA (not included above) for FY19 is Rs. 14.4 crores as compared to Rs. 14.7 crores in FY18.

- From 1st April, 2018 the Company has adopted the recently notified IndAS 115. Without this, actual EBITDA is Rs. 82.7 crores (15.1%).

# BOROSIL®

Performs Beautifully

# BOROSIL®

*Consumer Products Division (CPD)*



# Consumer Product Division (CPD)

## Product Range & Positioning

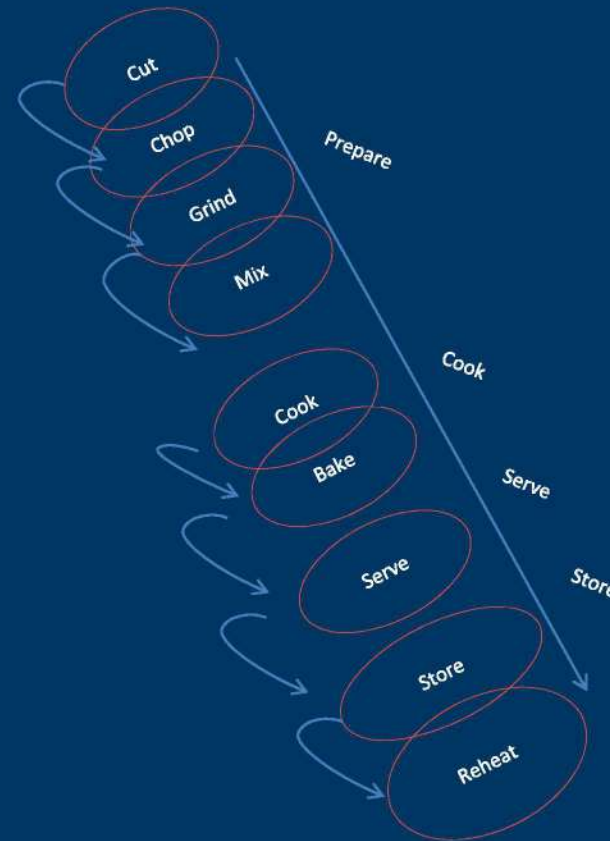
Ally for the progressive homemaker



Everyday



Entire process of Cooking & Serving



Modern, contemporary



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

# Consumer Product Division (CPD)

## Opportunity

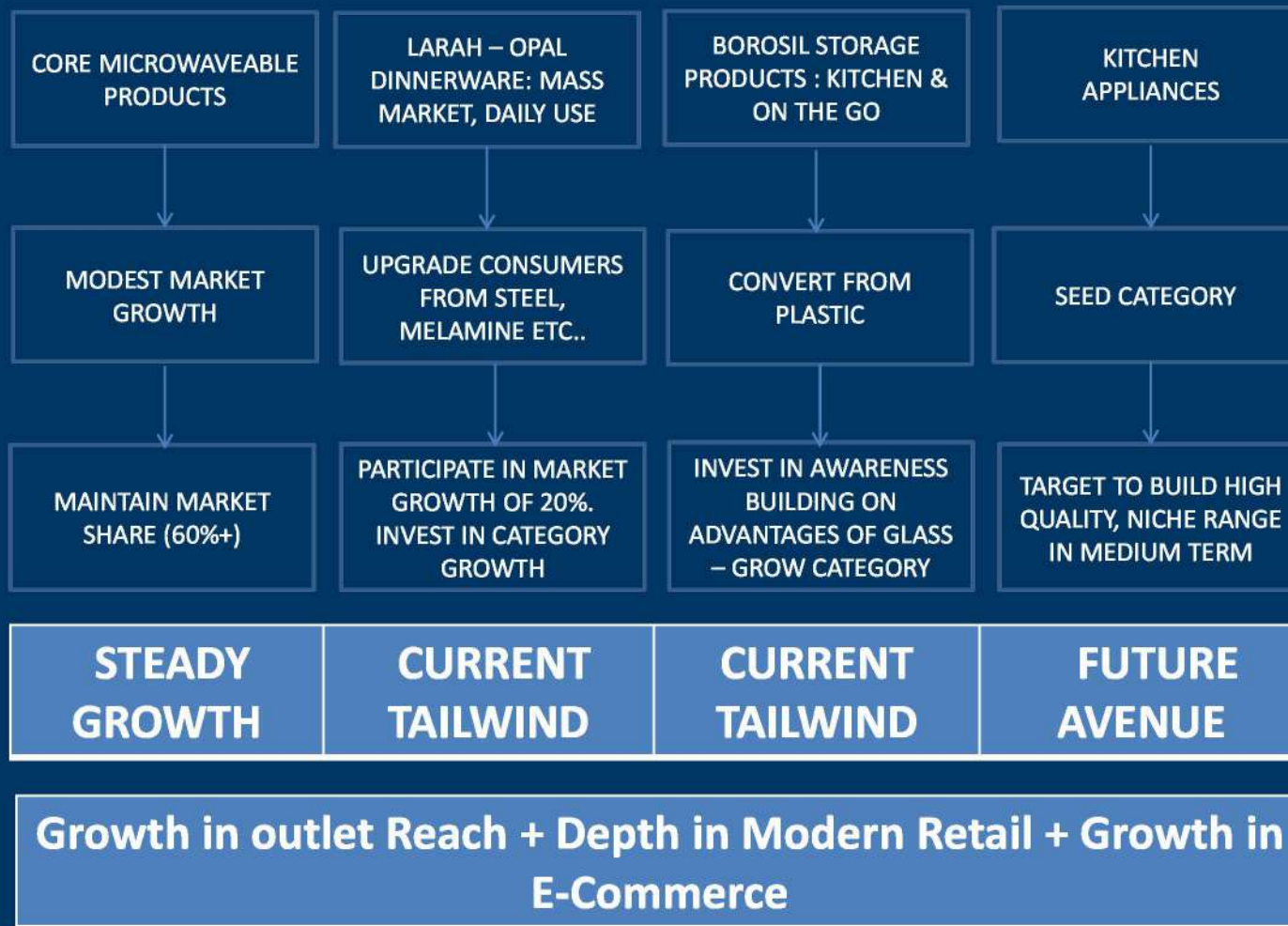
| Category            | Total Market Size (Cr.) | Market Growth % |
|---------------------|-------------------------|-----------------|
| Glass Microwavables | 100                     | 10%             |
| Tumblers            | 440                     | 10%             |
| Storage             | 700                     | 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 & 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 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

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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 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

**BOROSIL**<sup>®</sup>  
Performs Beautifully



The advertisement features a blue background with a dotted map of India. In the top right corner, there is a logo for 'BOROSIL HYDRATION PARTNER' and the Indian Olympic Association logo. The text 'BOROSIL Hydration Partner of Team India' is prominently displayed in the center. Below the text, a row of various Borosil hydration products is shown, including stainless steel flasks, bottles, and jugs in different colors like blue, orange, and silver. At the bottom left, the website 'http://www.myborosil.com' and email 'borosil@borosil.com' are listed.

# 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



# Consumer Product Division (CPD)

## Key Modern Trade Partners



**BOROSIL**<sup>®</sup>  
Performs Beautifully



# Consumer Product Division (CPD)

## Some Key Institutional Customers



**BOROSIL®**  
Performs Beautifully







# 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**<sup>®</sup>



*The market leader in  
Laboratory Glassware*

# Scientific & Industrial Products (SIP)

**BOROSIL®**

## 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, 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



*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  
"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 FY19: INR 41.7 Crores (growth 15%)

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

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





# Scientific & Industrial Products (SIP)

## 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<sup>+</sup>us**  
dedicated  
to *life*



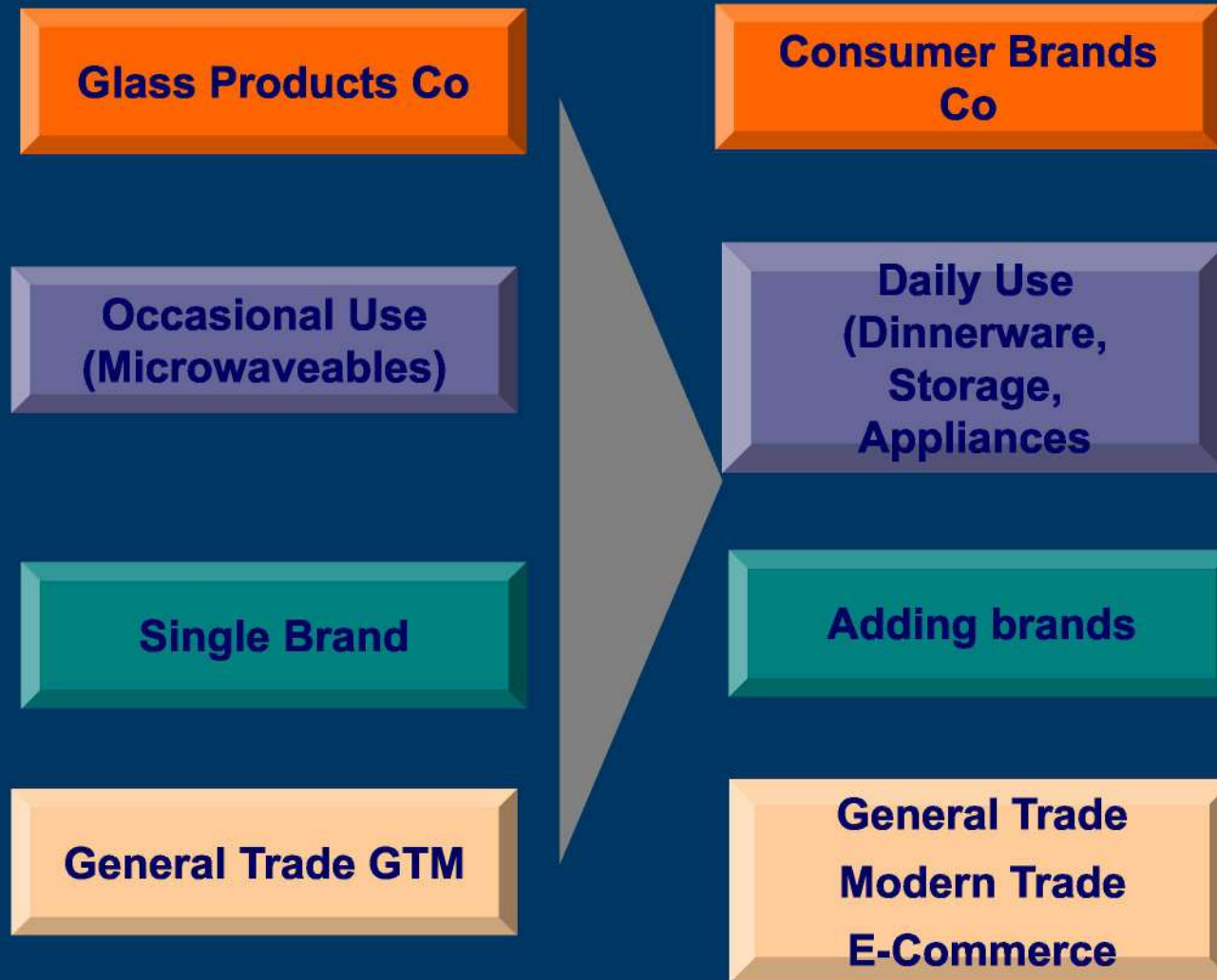
TEVA PHARMACEUTICALS

- **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

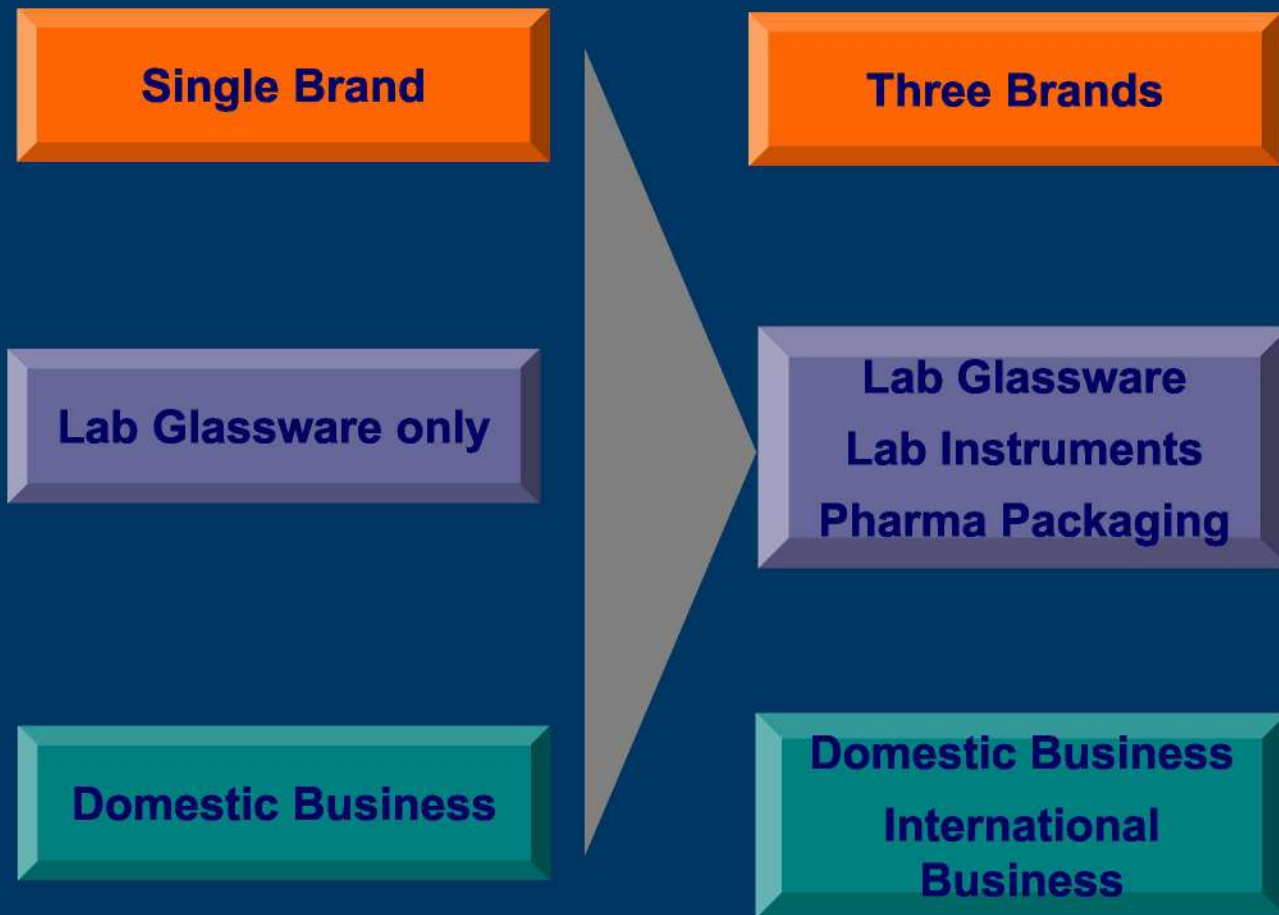
## Journey over last 7 years

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

## Re-Imagining Borosil Consumer Products Division



Re-Imagining Borosil SIP Division



# BOROSIL<sup>®</sup>

*Gujarat Borosil Ltd.*



# Gujarat Borosil Limited (GBL)

**BOROSIL®**

## Financial Highlights – FY19

| Segment         | Rs. In Crores |              |              |
|-----------------|---------------|--------------|--------------|
|                 | FY18          | FY19         | Growth %     |
| Revenue         | 199.8         | 216.8        | 8.5%         |
| <b>EBITDA</b>   | <b>39.1</b>   | <b>45.3</b>  | <b>15.8%</b> |
| <b>EBITDA %</b> | <b>19.6%</b>  | <b>20.9%</b> |              |
| <b>PAT</b>      | <b>7.0</b>    | <b>10.0</b>  | <b>43.7%</b> |



## 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 14.6% CAGR FY13-19, with strong EBITDA margins (20.9% in FY19 )





## 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

बीएसईएम  
**BHEL**  
Maharatna Company

**LANCO**

**vikram solar**

**GOLDI GREEN™**  
SOLAR PV MODULES

**HHV**



# Gujarat Borosil Limited (GBL)

**BOROSIL®**

## 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**  
solar energy

*Greece*

**AxSun Solar**  
„Deutsche Module mit Charakter“

*Germany*



## *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 70.2% 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.

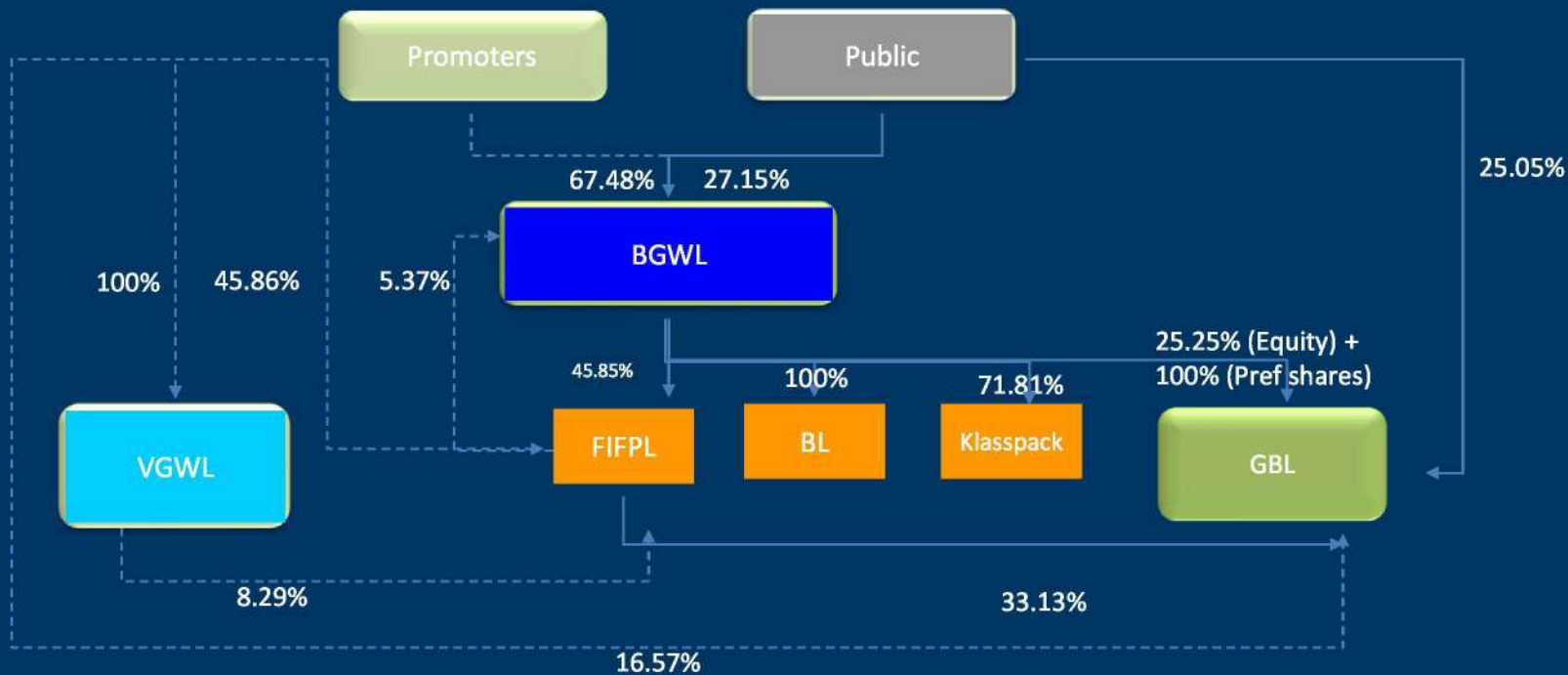
## Scheme Implementation

- 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 and shareholders of the co.
- 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

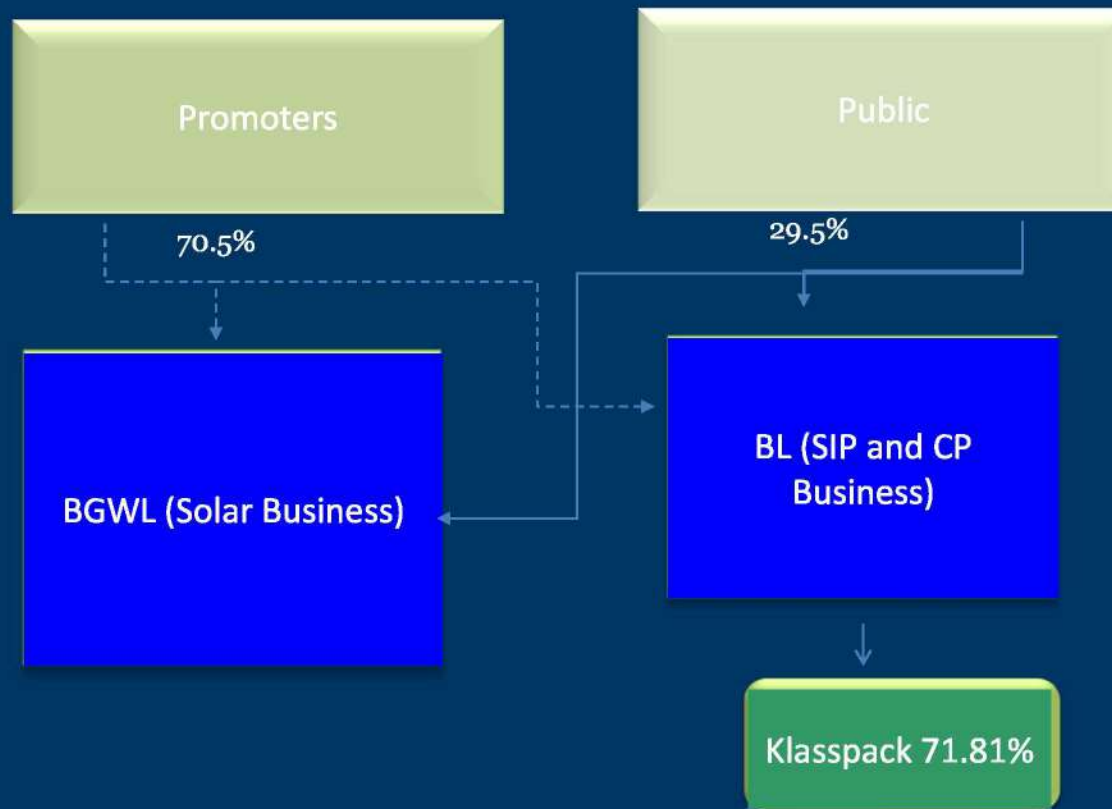
## Current Holding Structure



- 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.

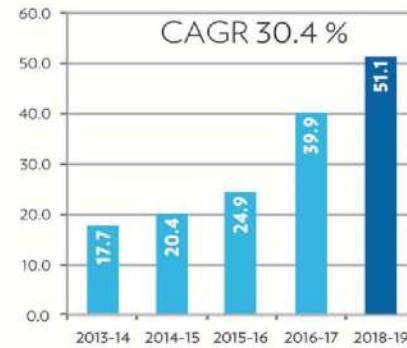
### Swap ratio :

- 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

**Net Revenue from Operations**  
(₹ in crore)



**EBITDA from operations**  
(₹ in crore)



**PAT**  
(Including income from investments)  
(₹ in crore)



**Dividend**  
(%)



# Borosil Glass Works Limited

## Financial Highlights (Stand-alone)

**BOROSIL®**

|   |            | 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.

# Disclaimer

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***Thank you***