

Date: August 6, 2020

To The Department of Corporate Services –CRD Bombay Stock Exchange Ltd P.J.Towers, Dalal Street MUMBAI – 400 001	To National Stock Exchange of India Limited 5 <sup>th</sup> Floor, Exchange Plaza Bandra (E), MUMBAI – 400 051
<b>Scrip Code: 509675/HIL; Through Listing Centre</b>	<b>Scrip Symbol: HIL: Through NEAPS</b>

Dear Sir / Madam,

**Sub: Investors' presentation for the quarter ended June 30, 2020**

**Ref: Intimation under regulation 30 of SEBI (LODR) Regulation, 2015**

Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirement), Regulation 2015 (the "Regulation"), kindly find enclosed Investors' Presentation for the quarter ended June 30, 2020.

You are requested to kindly take the same on record and acknowledge the receipt.

Thanking You  
for HIL LIMITED

G. Manikandan  
Company Secretary &  
Financial Controller

# Financial Results Presentation

Q1 FY2021

**HIL**  
TOGETHER, WE BUILD.



 **CK BIRLA GROUP**

# Disclaimer

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# Strategic Overview

# CK Birla Group - 160+ Years of Rich Legacy

Over **US\$2 billion**  
Conglomerate



Present across  
**Five** Continents



Over **25,000**  
Employees



Focus on **Long-term**  
**Values, Trust-based**



Numerous  
**Patents & Awards**



**Relationships &**  
**Philanthropy**





# Flagship Companies of CK Birla Group



Home and Building



Technology and Automotive



Healthcare and Education



# HIL Overview

## Strong brand equity



- Fibre Cement Sheets
- Coloured Steel Sheets



### Dry Wall:

- Solid Wall Panels
- C- Boards
- Flex-O-Boards
- SmartBond
- Designer Board

### Wet Wall

- AAC Blocks
- Block Jointing Mortar



### Pipes & Fittings:

- UPVC Pipes and Fitting
- CPVC Pipes and Fitting
- SWR Pipes and Fitting

### Wall Putty



- Next Gen Non-asbestos Corrugated Roofing Sheets



- Engineered Wood Flooring
- Laminate Flooring
- Resilient Flooring
  - LVT
  - ModularOne
  - SPC
- Skirting, Wall & Ceiling Panel and Accessories

Over 7 decades experience in handling of Chrysotile: Blemish-free health & safety record

Unique product attributes driving competitive advantage: Highest strength, Least breakage, Durable across lifetime

# HIL's Agenda for Growth

- Established brands
- Committed dealership
- Momentum in margins through sustainable efficiencies

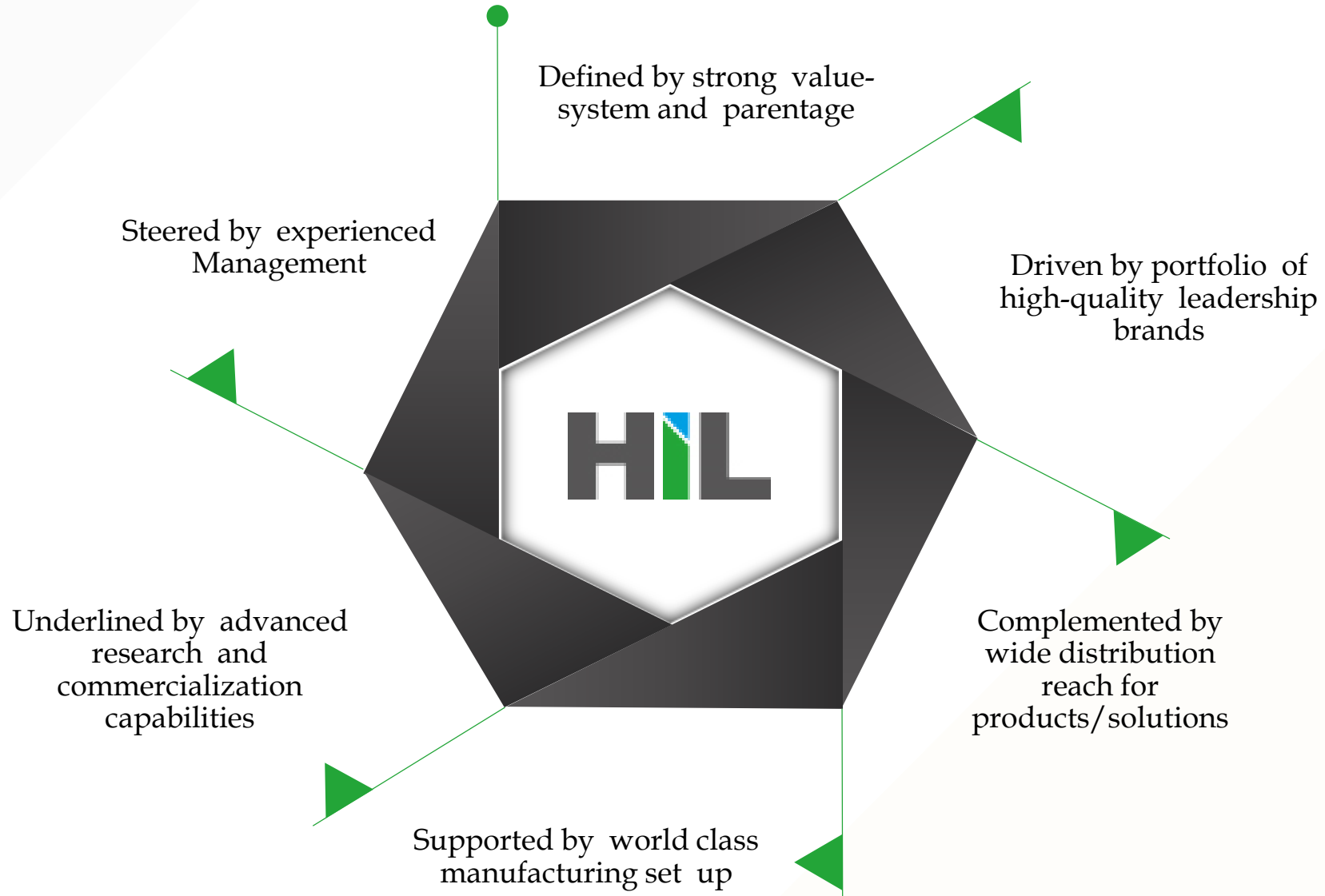


- Drive organic expansion
- Augment non-roofing portfolio
- Launch research based green solutions

- Develop adjacent complementarities
- Harness existing core strengths



# HIL's Strengths



# The Superbrands

HIL has been enjoying the Superbrand status for the past 5 consecutive years



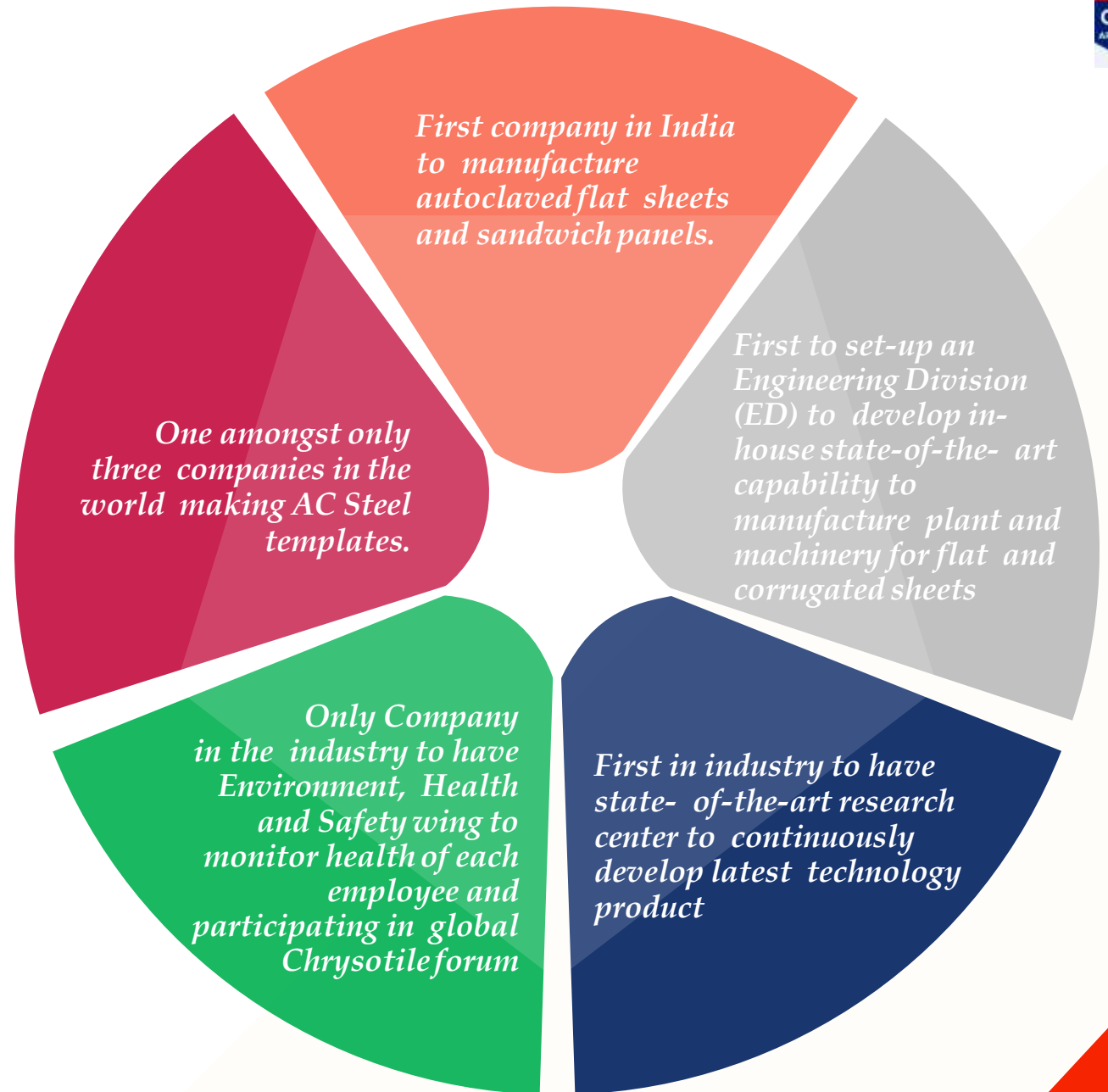
*A Superbrand is a recognition of a brand's commitment to quality and excellence of products and services.*

*Birla Aerocon and Charminar of HIL have been bestowed upon with the status of 'CONSUMER SUPERBRAND' this year. Both have been ranked one of the top brands across all categories in India.*

*Both Birla Aerocon and Charminar offer customer advantages and benefits over its competitors and also contribute to the development of the society promoting eco- friendly products.*

# HIL a Trendsetter

**Trendsetter in the building material industry by creating new benchmark in Quality, Processes and Products**

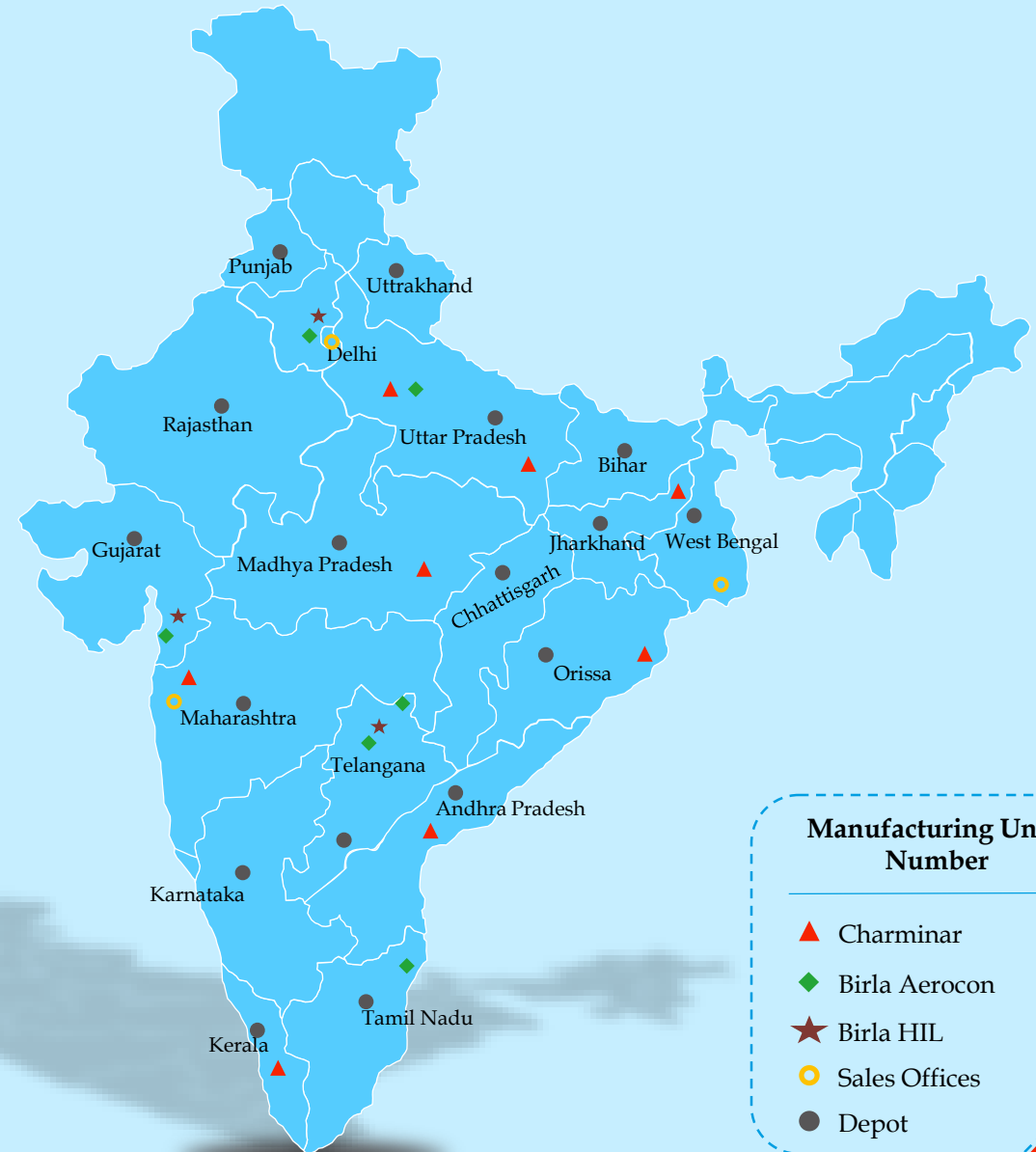


# Distribution Spread

*Building the nation through high quality, cost effective products*

## Key competitive advantage

- 20 Manufacturing facilities
- 38 Sales depots
- 3 sales offices
- 2,500 loyal stockiest/distributors
- 6,500 sub-dealers
- Deeper market penetration – Rural
- Urban real estate markets & green building products
- Low cost, high strength & best quality roofing products





# Manufacturing Prowess

Roofing Solution



Building Solution

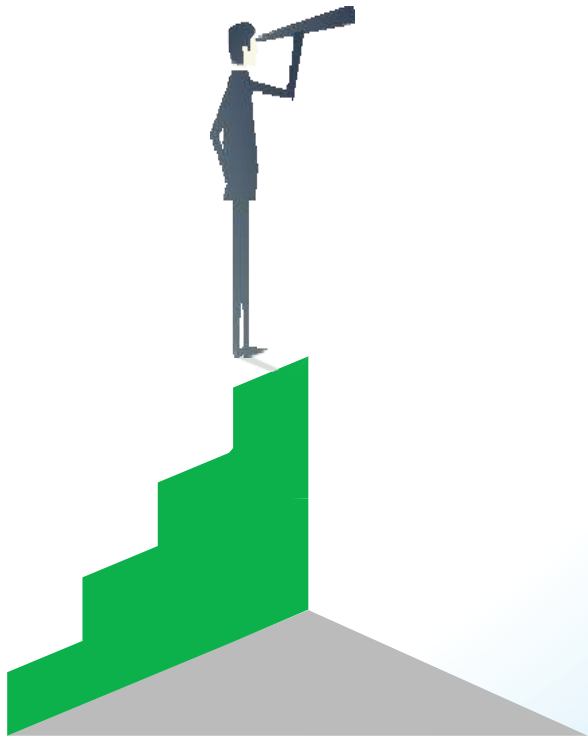


Polymer Solution



*World-class facilities. Transparent operations*

# Vision



**“To be a leading, global, innovative, and eco-friendly, building and infrastructure solutions company and create sustainable value for our stakeholders”**



# Mission



- To deliver a diversified portfolio of eco-friendly products and solutions fueled by innovation
  - To build a strong corporate brand present across all continents
  - To digitalize processes end -to-end for business excellence
  - A diverse workplace that is a preferred employer
- .....while continuing to meet our highest standards of, quality corporate social responsibility, safety, health and environment.

# Value, Vision and Lineage

## Our Values

Accountability

Integrity

Respect

Teamwork

Excellence

Innovation



### Mr. CK Birla:

*Business must be conducted with highest standards of excellence, values, respect for the environment and human health. Business is the means to develop a better society and provide care to all. HIL will play its role in the infrastructure and construction sectors as a leader, shaping the future of this industry with practices and products that are eco - friendly and technologically advanced*

# Award Won Recently



Superbrand  
(India) of the year  
– 2019



Asia's Most Trusted  
Company, 2019  
- IBC, USA



Most Promising  
Business Leaders of  
Asia , 2019-20  
- The Economic Times



Design Award  
for Parador,  
2019



Iconic Award  
for Parador,  
2019



Fortune  
The Next 500



# Award Won Recently



GERMAN DESIGN  
AWARD SPECIAL  
2019



ICONIC AWARDS  
FOR INNOVATIVE  
INTERIOR PARADOR  
2020



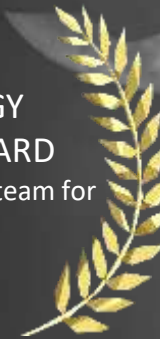
GERMAN DESIGN  
AWARD WINNER  
2019



EFFIES AWARD  
2019-20 for TVC  
"NAAM DEKHKE  
LENA"



TECHNOLOGY  
SENATE AWARD  
Received by IT team for  
INDUSTRY 4.0





# Parador: Suite of Products

Laminate Flooring



Engineered wood flooring

Resilient Floor Covering



ModularOne Flooring



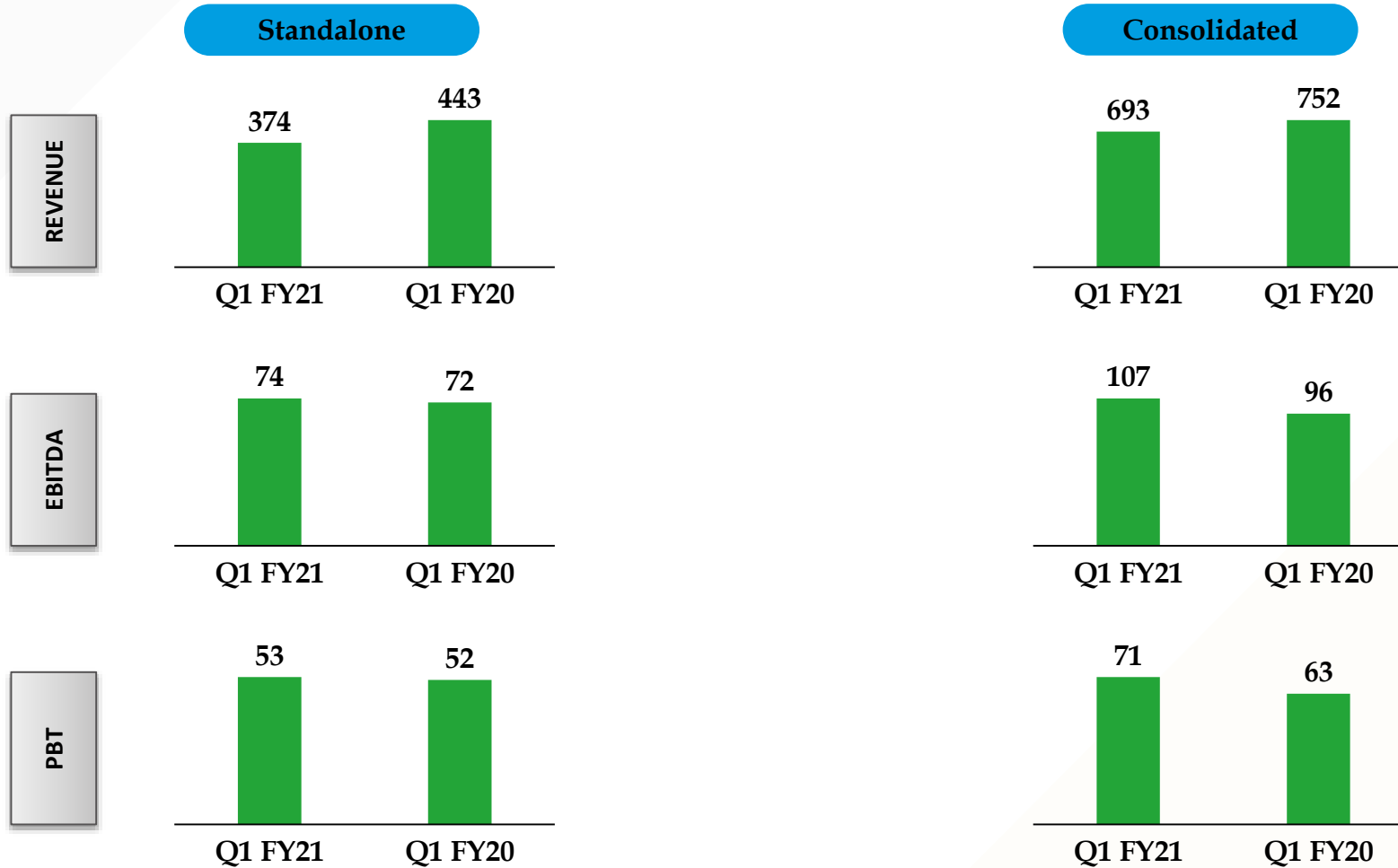
# Quarterly Discussion





# Highlights of Q1 FY21 Performance

In Rs. Crore



All numbers are exclusive of discontinued operations of Thermal Insulation business

Revenue is lower due to country wide lock-down imposed on account of COVID-19 pandemic from second half of March and April

EBITDA and PBT margins are improved due to zero based cost planning and improved efficiencies

# Financial Statements – P&L

In Rs. Crore

INR Crore	Standalone		Y-o-Y	Consolidated		Y-o-Y
	Q1 FY21	Q1 FY20		Q1 FY21	Q1 FY20	
<b>Total Revenue</b>	383	450	-15%	699	756	-7%
<b>Total Expenditure</b>	309	378	-18%	592	660	-10%
<b>EBITDA</b>	74	72	3%	107	96	12%
<b>PBT</b>	53	52	3%	71	63	13%
<b>PAT</b>	38	30	27%	50	38	34%
<b>EPS</b>	50.76	40.12	--	67.37	50.25	--

*Complied as per Ind AS*

# Results discussion - Segmental

In Rs. Crore

Rs. Crore	Q1 FY21	Q1 FY20	Y-o-Y
Revenues			
Roofing Solutions	295	296	0%
Building Solutions	29	83	-64%
Polymer Solutions	48	62	-23%
Flooring Solutions	320	309	3%
Others	2	4	-54%

Complied as per Ind AS

**Roofing Solutions comprises:** Fibre Cement Sheets and Coloured Steel Sheets.

**Building Solutions:** Dry/Wet walling products

**Polymer Solutions:** Pipes and Fittings and Wall Putty

**Flooring Solutions:** Laminate Flooring, Engineered Wood Flooring, Resilient Flooring, Skirtings and Accessories

**Others comprises:** Wind Power and Material Handling and Processing Plant and Equipment

All numbers are exclusive of discontinued operations of Thermal Insulation business

- Roofing Solutions displayed encouraging performance as rural demand led to better sales once operations resumed
- Building Materials and Polymers Solutions are witnessing headwinds of a prolonged real estate slowdown
- Polymer Solutions and Flooring Solutions growth duly supported by the attractive product portfolio
- Parador's performance has improved since the acquisition and the business is self-sustaining, even during CoVID-19, despite Europe being one of the worst hit geographies
- Introduction of E-business, focus on DIY were key success factors to positively impact PARADOR Germany business

# Results discussion

In Rs. Crore



INR Crore	Standalone			Consolidated		
	Q1 FY21	Q1 FY20	Y-o-Y	Q1 FY21	Q1 FY20	Y-o-Y
EBITDA	74	72	3%	107	96	12%
<i>EBITDA Margin</i>	19%	16%	334 bps	15%	13%	262 bps
PBT	53	52	3%	71	63	13%
<i>PBT Margin</i>	14%	12%	235 bps	10%	8%	187 bps
PAT	38	30	27%	50	38	34%
<i>PAT Margin</i>	10%	7%	324 bps	7%	5%	223 bps

- Leadership connect ensured a high degree of discipline and bonding in the company
- Zero based cost approach helped in improving cost efficiencies and productivity in the system thereby protecting the margins
- Robust Day “0” Planning, daily huddle meets across units helped employees to stay focussed and bring in a sense of purpose, agility, commitment and pride
- Product lines maintained lead in quality and pricing
- Converted the crisis into an opportunity to redefine working capital norms

# Financial Statements – Balance Sheet

Particular (Rs. Crore)	Standalone		Consolidated	
	30.6.2020	31.03.2020	30.6.2020	31.03.2020
<b>A) Equity &amp; Liabilities</b>				
Shareholder's funds	743	705	801	743
Non-current liabilities	240	256	578	606
Current liabilities	455	576	694	805
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,438</b>	<b>1,537</b>	<b>2,073</b>	<b>2,154</b>
<b>B) Assets</b>				
Non-current assets	1,025	1,049	1,218	1,214
Current assets	413	488	855	940
<b>TOTAL ASSETS</b>	<b>1,438</b>	<b>1,537</b>	<b>2,073</b>	<b>2,154</b>

- Net worth increased to Rs.801 crore as on Jun 30, 2020 from Rs.743 crore as on Mar 31, 2020
- Net Debt reduced by Rs.122 crore during Q1
- Net Debt to Equity at 0.77 as on Jun 30, 2020 vs. 1.0 as on Mar 31, 2020
- Continue to take measures to strengthen the Balance Sheet

# Swift response to Covid-19

- First 20 days of April proved to be challenging due to the complete lockdown in India which halted production at HIL sites
  - The situation started to improve significantly as permission were given to resume activities in our manufacturing plants, albeit at reduced capacity
  - HIL had initiated zero based planning to cut down variable and fixed costs
- Owing to the seasonality of the Roofing Solutions segment and the high demand in rural areas, HIL was manufacturing at 100% capacity
  - HIL has been looking at newer, exciting opportunities such as providing COVID centers building or labour hutments for the Government
- Building Solutions segment operated at < 30% capacity and Polymer segment at 22% capacity due to the highly subdued construction activities in the country
  - The Company started focusing on tier-II & III cities for real estate and commercial activities
- Introduction of E-business, focus on DIY were key success factors to positively impact PARADOR Germany business. The products are delivered to the customers safely, and then assembly is the customers' responsibility
- Parador operated at 70% capacity in Q1 FY21 as the situation has been improving in Europe significantly
- Inventories in Parador reduced considerably



# Message from Managing Director & CEO



Dhirup Roy Choudhary

The uncertainties due to COVID has provided us an opportunity to redefine and reimagine our business.. HIL caters to a wide range of customers and geographies through its various business verticals and I am happy to inform that the capacity utilization of the Roofing solutions business stood at 100% plus, Building Solutions business crossed 50% and Parador was at 70% . Polymer Solutions being a newer business line was at sub-40% and we are confident of driving profitable operations given our attractive product mix.

All of this was made possible through a combination of smart systems and processes and ingenuity of our people. Of course, backed by our robust underlying infrastructure. As the nation emerged from the lockdown our teams were ready with operating agendas to optimize sales in a constrained environment. The corporate function was separately charged with the responsibility of streamlining costs acutely and adjusting our strategic sails so that we are best placed to achieve our long-term goals. The zero based cost approach has resulted in improving the operational efficiencies significantly.

I must commend the passion and the innovative approach our teams in the roofing segment. They have meticulously executed a complex logistic operation, matching material with demand. Demand which was spread out in pockets of unlocked zones all across the key markets. Through advanced technology architecture we have been able to charge our retailers to create a pull for our brand. What has additionally worked is that villages and towns that constitute the rural segment have shown good demand. Charminar continues to lead the market through pricing and brand attributes.

In building solutions, the larger cities and towns that really consume panels, boards and putties have largely been beaten back by the lockdown. Our emphasis was to leverage technology and re-orient the sales to new customers at places where it was indeed possible to dispatch our solutions. Certainly, our throughput stands lower vis-à-vis last year but we have been able to recoup at least half of our sales in this manner. Polymers continue to do relatively better.

As far as Parador is concerned we have got the basics right. With both entities i.e. HIL and Parador, integrated closely on cultural and financial aspects we reemphasised focus on building in higher utilisation and reaching out to newer markets. The result as you can see has been stupendous. Further we have been very agile to adapt our model to meet the challenges thrown by the pandemic and therefore remain confident of being able to maintain momentum.

As an organisation and I speak of every employee today, everyone has contributed towards the bright and sustainable future of this Company. I am proud and I am grateful to each one of them.

We truly believe in the potential of each of our segments and that strategies that have gone into building them upwards. Very resolutely, I can see the future, where the combined might of all our business verticals will propel this Company higher.

# Outlook



Growth from leadership roofing business through optimised distribution and stronger marketing

Investment in creating opportunities for growth in AAC Blocks & Panels by way of capacity expansion

Focus on driving non-roofing portfolio comprising Building, Polymer & Flooring Solutions

Established advanced research based non-asbestos roofing solutions to focus on institutional & MNC customers in India and overseas market

Build a sustainable distribution network by establishing Sales Joint Ventures / subsidiaries in selected markets

*Committed to driving profitability momentum in coming quarters*

# Corporate Social Responsibility



Narendra Modi @narendramodi

Outstanding gesture by @TheCKBirlaGroup. Thank you to their entire team. #IndiaFightsCorona

The CK Birla Group @TheCKBirlaGro... · 11h  
The CK Birla Group, Amita and CK Birla, commit ₹35 Crores to support the Government in the fight against COVID-19. @narendramodi #COVID19...



### The CK Birla Group pledges its support for the fight against COVID-19

The CK Birla Group, Amita and CK Birla, have made a commitment of ₹35 crores to support the Government in the fight against COVID-19. ₹25 crores will be contributed to the PM CARES Fund, and the remaining amount is being directed towards State Government funds and supplying equipment, masks, PPE's.

The hospitals of the Group in Kolkata and Jaipur are working with the respective state governments in mitigating this crisis. In the same spirit of solidarity with the nation, the employees of each of the Group companies are making voluntary personal contributions towards this fund, which will be added to this corpus.

The COVID-19 crisis is the defining crisis of our times, and our response, support

HIL contributed INR 3 crore towards PM Care fund



Distributed grocery to migrant laborers



Distributed hand sanitizers to front line warriors





# GPTW Certified Company – 2<sup>nd</sup> Consecutive year



Recognized as “India’s Best Companies to Work For 2020”, **Ranked at 67**



Recognized as Top 30 of India’s best workplaces in Manufacturing 2020



Certified 2nd year in a row with satisfaction score at 82% (from 77% in 2019)



Recognized as Best Workplaces in Cement and Building Materials Industry 2020

# Contact Us

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[karl@cdr-india.com](mailto:karl@cdr-india.com)

## About Us:

Founded in 1946 and having completed 70 glorious years HIL Limited is an integral part of a burgeoning marketplace. It is the flagship company of the C K Birla Group, which is a growing US\$2 billion conglomerate with diversified interests. With over 25,000 employees, 41 manufacturing facilities and numerous patents and awards, the Group's businesses operate in five continents.

Today, HIL is the acknowledged leader in the Building Material space in India. HIL has been honored with the title of "Asia's Most Trusted Building Material Company for last 2 consecutive years by IBC INFOMEDIA. HIL also holds two consumer SuperBrand title and ranks amongst the top 20% of all other SuperBrands across all categories in India.

HIL manufactures a comprehensive range of products. Its Charminar brand is an established market leader in roofing solutions. Birla Aerocon, provides Green Building Solutions that includes Dry Walling, Wet Walling and Plumbing solution. Parador, the category leader in design & innovations, covers wooden flooring solutions. These are easy to install, energy efficient along with being superior in quality.

HIL's strength lies in its state-of-the-art manufacturing facilities, an unmatched distribution network and diligent customer care. HIL exports its products and machinery worldwide. The company is committed to support and provide environment-friendly products by following green and safe practices. With reference to the health surveillance records of our employees, HIL can safely claim that our AC sheets do not pose a health hazard to its workers, people who live under them, and the general population at large.

In its quest for excellence, HIL has developed a world-class R&D facility with a team of highly qualified and dedicated professionals to develop and refresh technologies and processes continuously redefining industry standards leading to solutions that are enriched, cost-effective and environmentally friendly.

HIL has surged ahead with a deep commitment to re-greening the world: it has adopted a unique "five-way green" philosophy to ensure that our products and processes are environmentally friendly from end-to-end. Over 30% of our energy needs are met from renewable sources. The company sources green raw materials with a low carbon footprint and processes them using green manufacturing that produces least effluents, byproducts and emissions. Finally, our end products are green, recyclable and have minimal environmental impact.

HIL is truly dedicated to providing smart choices that ensure environmentally sustainable Solutions.

With HIL we can explore a world of possibilities in building our dreams for a greener and safer tomorrow.

Additional information on the Company is available at the following link; <http://www.hil.in>

# Thank You

