

## **Beaufond Plc H1 2019-20 Result Announcement**

“Beaufond believes that there are no secrets to success. It is the result of preparation, hard work, and seems to be connected with action. The secret of success is to do the common thing uncommonly well.”

## RESULT ANNOUNCEMENT

### H1 2019-20

#### SUMMARY FINANCIAL RESULTS

(Amount in USD)

BALANCE SHEET	AS ON 31.12.2019
<b>ASSETS</b>	
<b>Non – Current Assets</b>	
Long Term Advance	15,000,000
Property Plant and Equipment	85,001
Patent	80,000,000
	<b>95,085,001</b>
<b>Current Assets</b>	
Cash on Hand and at Banks	5,206,377
Accounts Receivable	449,993,616
Inventory	106,078,236
	<b>561,278,229</b>
<b>TOTAL ASSETS</b>	<b>656,363,230</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>	
<b>Current Liabilities</b>	
Accounts & Other Payable	388,207,416
<b>Total Current Liabilities</b>	<b>388,207,416</b>
<b>TOTAL LIABILITIES</b>	<b>388,207,416</b>
<b>Shareholders' Equity</b>	
Share Capital	75,000,000.00
Retained Earnings	193,155,814
Total Shareholders' Equity	<b>268,155,814</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>656,363,230</b>

**Dubai, Jan 23, 2020 ([IssueWire.com](http://IssueWire.com))** - Beaufond Plc Reports 11.35 % increase in EBITDA to USD 24.750 million of H1 2019-20 against USD 22.226 million to the corresponding period of last year.

**PERFORMANCE HIGHLIGHT:**

- EBITDA growth continuing of rising to **35 %** for the 1st Half-year 2019-20 against corresponding to the same period of last year. The Pharma segment continues to be the biggest driver of top and bottom-line growth.
- Company revenues increased **94 %** in H1 2019-20 against H1 of 2018-19, supported by International Trade of pharma products' growth which is the major contributor of the total revenue.
- Company's net profit increased to **49 %** in H1 comparing last year H1. Net profit for the period in actual is **USD 24.745 mn.**
- The Net worth of the company has recorded **USD 156 mn** in first Half-year of 2019-20 against **USD 228.088 mn** of the same period of last year with an increase of **17.57 %.**
- The Current Ratio recorded for the half is **45** which is at par with the trading and distribution business companies.
- The Gross profitability ratio showed a mark for the half-year H1 2019-20 as **52** against the same period of 2018-19 as **7.42.**
- The Net profitability ratio showed a mark for the first half-year 2019.20 as **51** against the same period of 2018-19 as **4.44.**

**RESULT ANNOUNCEMENT**

**H1 2019-20**

**STATEMENT FROM MANAGING DIRECTOR:**

*We are encouraged by our first-half results and have made further progress toward 2019 – 20 financial goals. Disciplined execution and fast innovation contributed to improved organic growth and profitability. Our growth was broad-based with our largest market, performing particularly well. Across our categories increased investment behind our brands and in innovation is clearly paying off, as reflected in our strong momentum and the return to mid-single-digit growth in Pharma products. Our innovation API for cancer launch has been a great success so far and we plan on further geographic expansion and further products' innovation to make the most of this unique opportunity. Active innovative marketing management will continue to sharpen our strategic focus and position the company in attractive high-growth businesses. Our value creation model is clearly delivering the expected results and will support sustained profitable growth*

We report the first half-year – 2019-20 of EBITDA and new directions towards growth, reflecting the strong execution of our projections alongside our successful business development efforts. Comparing our 1st quarter result with the first half-year results that also highlights the progress of our continuous cash management and collection initiatives as we report an improved net cash position and continuation of positive operating cash flow.

We witnessed a healthy growth of 9.94% with a total of USD 549.056 mn in H1 2019, driven by quality new businesses in the East Asian countries, especially in Honk Kong, China, and India etc. These countries' level comfortably provides us with sufficient revenue and profitability as we continue to pursue across existing and new markets. Margin expansion was supported by pricing, structural cost reductions, operational efficiencies and improved mix.

Health Science, effective cancer care goes beyond offering products and means providing effective and collaborative solutions to patients at a time of need. Beaufond deepens this collaboration with contract manufactures. This is vital to advancing next-generation innovative products and services that are even more beneficial and cost-effective.

Last financial year Beaufond announced the transition of the businesses model of increasing warehousing distribution model. The transition will begin in the second half of 2019-20 and is expected to be completed in the financial year 2019-20.

Creating Shared Value is fundamental to how we do business at Beaufond that has established a strong foundational framework for social and environmental initiatives both, within the organization as well as outside. Our endeavor is to continuously and dynamically build on this and steer it in the right directions.

### **Sachin Saini, Managing Director**

### **Board of Directors**

The board is headed by Mr. Atanu Sen, Chairman & Non-executive Independent Director, and efficiently managed by Mr. Sachin Saini, Managing Director of the company, supported by with 4 independent directors – Mr. John Oppermann, Ms. Sangeeta Lakhi, Mr. Chelven Chengabroyan and Ms. Constance Mabhande.

### ***Directors' Observations:***

Beaufond Plc achieved the consolidated revenue **USD 549,056,456** during the first Half-year ending 31.12.2019 with a remarkable increase of 9.94 % y.o.y growth comparing the last year first half result of **USD 499,405,289**.

The gross profit y.o.y on increase in trend and as on 31.12.2019 it is **11.45 %** - in term of actual, it is **USD 41,308,979** for 2019-20. It is a popular tool to evaluate the operational performance of the business which indicates the company's financial health. Here it tells investors how much gross profit every dollar of revenue Beaufond is earning.

The company earned a net profit of **USD 24,744,862** for the 6 months period from 01.07.2019-31.12.2019 and recording higher profit growth of **11.49 %** y.o.y which clearly direct that the company is more efficient at converting sales into actual profit.

During the first half-year of 2019-20, the net worth of the company increased to **USD 268,155,814**

against the same of last year shows the result of **USD 228,087,776** with an increase of **17.57 %**.

These financial results are an impressive testament to the achievements of our management and staff in H1 2019.

The Directors are optimistic about the prospects for the ensuing year and expect to improve the performance of the Company.

## **Business Scenario**

### **General information on the trend of the Company's business (2019-2020):**

In 2009, Beaufond systematically and clearly set forth in writing the implicit values it shares as common knowledge, and issued its "Mission, Vision and Values". To "strive to contribute to the creation of a future where the aspirations of the people can be fulfilled," set in Beaufond's Mission, in 2017. We defined 2017 was an important year where we have the dedication to achieve USD 1 billion turnovers by 2020, but it is a milestone in the history of Beaufond that the company crossed the 1 billion target in 2019 itself.

In the Q1 and H1 ended 30th September and 31st December 2019 respectively, Beaufond made very significant progress, enhancing base profit in all segments by achieving solid results in each of their key initiatives. With this motivated result, Beaufond strongly pushed forward with the annual strategic plan 2020 with even deeper confidence that could be achieved over and above

- **Corporate social responsibility**

Over the past several years, Beaufond has established a strong foundational framework for social and environmental initiatives both, within the organization as well as outside. The focus on governance and the wider social conscience has increased the presence of the company in recent years.

- **Beaufond's business strategy in 2020**

Significant progress made in the first two quarters of 2019-20. On continuing, implementation of strategy and the updated strategy are outlined in 2020 for continued to channel the company's growth trajectory along a well-defined path. Significant progress was made in the implementation of the three key tenets of the Company's strategy: Capacity building, capabilities focus and geographic expansion.

The combination of organic and inorganic expansion in recent years has laid a solid foundation for the company's continued growth in the foreseeable future. Management continues to extract significant value out of the business by improving efficiencies at existing facilities which helps to unlock revenue and cost synergies. Keeping the aforementioned in view, management remains confident of continued strong growth provided for 2020.

- **The most significant trends**

As the Company deals with many products globally, the specialist in the purchase and sales department draw short term and long-range plans yearly and effectively selecting the products that are moving fast with consumers' preference. The significant trend in production and sales are very much encouraging.

During the year 2018-19, as the pharma products fetch good market and wide gap of income, the

management has taken a decision to increase the incremental sales of the pharma products to 40% more than the last year and considerably reduce the IT and multimedia and general merchandise sales.

The current year 2019-20, the projected sale in the pharma product has been aimed for incremental sales from 35 to 40% compared last year and the other the IT & multimedia and general merchandise aimed to be 85 – 90% of the last year sales figure – the present half-year result shows that these projections could be achieved easily.

### **The recent *trend in costs and selling prices***

Beaufond has continuously made inroads in growing, deepening and diversifying its purchasing, trading and products base, corporate and institutional customers across markets that it operates in well-defined 'demand and supply' concept. Supplementing it base, the company continues to maintain access to various channels, to support the growth of its investor base, as well as to increase flexibility and reduce funding cost in capitalizing on business opportunities.

The R&D wing in the company identifies the key variables that are major influences in the cost and benefits of the company. Demand, expenses, operating costs and legal costs, revenues and financial benefits etc., are included in this stage. Only un-favorable changes are accounted for to consider the impact of these changes on the profitability of the company. This helps in identifying and implementing the actions that will help to mitigate these adverse effects. The department balances whenever the cost prices increase considerably; the same is adjusted by selling price, reduction on production and sales expenses etc., for stable and sustainable growth and profit as per the strategic plan of the respective year.

Perseverance is a part of the Company's culture and it lives it every day. The impact of this philosophy can be felt in every aspect of Beaufond's business and workplaces. It fuels Beaufond's pursuit of excellence and inspires to push for better ideas and outcomes. It drives the management to constantly improve their business' practices by adopting innovative processes and practical solutions that allow them to win in every scenario about the Company.

### **Contact Investors' Relation:**

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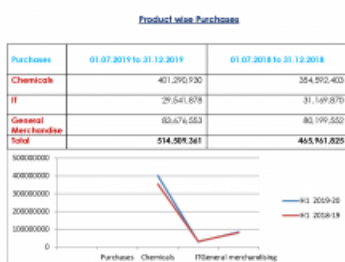
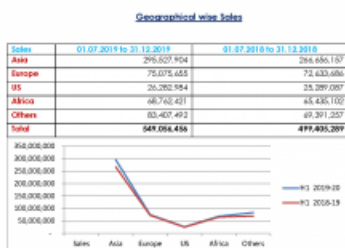
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Particulars	for the period from 01.07.2019 to 31.12.2019
Revenue	545,056,456
Cost of sales	600,747,477
Gross profit	41,308,979
Less:	
Administrative & Selling Expenses	16,148,647
Depreciation	5,000
Finance charges	(85,470)
Total costs	16,544,117
Net Profit	24,764,862

Geographical wise Purchases

Purchases	01.07.2019 to 31.12.2019	01.07.2018 to 31.12.2018
Asia	356,752,484	372,688,824
Europe	20,610,137	30,259,213
US	55,502,539	91,976,207
Africa	6,372,581	7,422,401
Others	74,391,430	45,443,180
Total	514,069,341	465,911,825



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