



Press Release - Beaufond Plc
Q 2 & H 1
Result - 2021-22

RESULT ANNOUNCEMENT

Q2 & H1 2021-22

*"All our dreams can come true, if we have the courage to pursue them.
Happiness is that state of consciousness which proceeds from
-the achievement of one's values"*

**Beaufond Plc Reports 18.46 % increase in Revenue to USD
375.12 million for the second quarter of 2021-22 against USD
316.67 million to the corresponding period of last year**

From the Desk of Managing Director Dr. Sachin Saini

Global Economic Outlook – last quarter of the Calendar year 2021:

Spread of Delta & Omicron COVID-19 variants and supply constraints limit economic recovery:

The global economic outlook for 2021 has worsened moderately since mid-2021, offset by slightly more optimistic recovery forecasts for 2022. Global real GDP is now forecast to increase by 5.7% in 2021 (a 0.2 percentage point downgrade since July 2021), and by 4.8% in 2022 (a 0.2 percentage point improvement relative to the July 2021 forecast). Since July, real GDP growth forecasts for 2021 have been significantly downgraded for the US, Canada, China, India, and other Asia Pacific economies, such as Indonesia and Australia. By contrast, 2021 forecasts have improved substantially for the Eurozone, Eastern Europe and Latin America. The growth in global economic activity in last quarter of the calendar year 2021 was stronger than expected. However, the spread of the much more infectious Delta & Omicron COVID-19 variants and worsening supply constraints have tempered global economic recovery and put greater pressure on vaccination campaigns to control the pandemic.

While infection rates from the current wave of COVID-19 have gone down in many countries, they risk rising again during the last quarter of the calendar year 2021 in the northern hemisphere as the weather gets colder and people spend more time indoors. The current vaccines are estimated to be 60-88% effective at preventing symptomatic infection with the Delta & Omicron COVID-19 variants and 71-96% effective at preventing hospitalisation due to these variants, depending on the vaccine used. However, the Delta & Omicron variants have a 2.5-3.0 times higher transmission rate than the initial variants, requiring vaccination rates of 90-100% to attain herd immunity.

As of October 2021, vaccination rates in major advanced economies range around 55-75%, and progress in vaccination campaigns has slowed down in many countries. As a result, in many countries the Delta & Omicron variants is likely to require a short-term return to some social distancing restrictions even for vaccinated individuals, and more aggressive discrimination between restrictions for unvaccinated and vaccinated individuals. While the economic effects of recent lockdowns have been more moderate, they remain a significant drag on recovery.

Supply constraints are slowing down economic recovery

Supply constraints are the other significant drag on global economic recovery, due a mix of pandemic-related travel and transport restrictions, underinvestment in transportation infrastructure and electronics production (preceding the pandemic), and the reluctance of potential workers to return to some high-risk COVID-19 sectors. These supply constraints have coincided with a rapid increase in global demand, leading to occasional shortages and filtering into higher price inflation.

Key supply constraints include a lack of shipping containers, port closures and delays, a shortage of truck drivers, lack of computer chip production capacity, electricity shortages in China and India, and rising global commodity prices. These factors are likely to have raised global inflation by 1.5 percentage points in fag end of 2021, according to OECD estimates.

The current supply constraints may also cause a longer-term shift to more localised production, with lower reliance on vulnerable global supply chains, as part of an ongoing globalisation reset.

Forecast risks remain tilted to the downside

The baseline forecast is now assigned a 65-75% probability. A more optimistic global economic recovery scenario, with global real GDP growth of 6.2-7.2% in 2022, is assigned a 2-6% probability. More negative economic scenarios are assigned around 26% probability.

The main global downside risk factor is the emergence of new more infectious or vaccine-resistant variants of the virus. In the COVID-19 Pessimistic scenario the spread of more infectious and more vaccine-resistant COVID-19 virus mutations leads to renewed lockdowns and stronger social distancing measures.

In advanced economies, sufficient vaccination rates to control the pandemic are only attained at the end of 2022 or early 2023. Vaccination rates in developing economies remain low until 2023-2024. Longer-lasting social distancing measures that cause large drops in consumption, business revenues, employment and wages relative to the baseline forecast in 2021-2022. Global real GDP growth declines into a range of -0.7% to 0.8% in 2022. This scenario is assigned 18-28% probability.

The nature of the global economy virtually ensures that the effects of a pandemic event will be widespread and threaten not just a limited geographical region or area, but potentially every continent. In addition, while traditional disasters and disruptions normally have limited time durations, pandemics generally occur in multiple waves, each lasting several weeks or months. Consequently, no individual or organization is safe from the adverse effects that might result from a pandemic event.

There is no doubt that the pandemic will remain an important economic factor over the coming year. New infections remain at very high levels in most parts of the world.

Remaining uncertainty about the effectiveness of vaccines and vaccination campaigns, as well as potentially new variants of the coronavirus, could still trigger further government-imposed restrictions on people's mobility and economic activity. And even where governments do not take action, people may voluntarily adjust their behaviour in ways that reduce economic activity.

Beaufond Plc determined, to fight this pandemic along with the world and support all measures and protocol as prescribed by World Health Organisation, with related to customers, stakeholders and employee's wellbeing, work environment. Adequate facilities management assists in the reduction in the spread of infection. Such measures have particularly important in the early stages.

In the critical situation, Beaufond Plc strategically identify optimum disposal strategies to deal our products based on in-depth analysis of micro and macro market trends and reduced the impact of the corona in the day to day operation and minimise the negative trend.

Hence in Beaufond Plc, We are encouraged by our second quarter results as a reward of our disciplined strategies which continues to deliver strong underlying performance.

Performance Highlights: First Half Year 2021-22

- Turnover breakup: Chemical segment 75.60 % with US \$ 578 Mn, IT & Telecom segment 8.06 % with US \$ 62 Mn and Other Merchandise segment 16.34% with US \$ 125 Mn.
- Chemicals Segment increased by 10.76 %, IT & Telecom Segment increased by 2.15 % and Other Merchandise Segment increased from 57.80 % as compared to last year Half Year from 01.07 to 31.12.2020.
- With Asian Continent been a largest market with total turnover share of 55.74 %, followed by African Continent with 16.32 %, European Continent with 9.31 %, and US Continent with 5.16 % and others with 13.47%.
- Under Chemicals Segment, almost 73.01% of product is related to Pharmaceuticals chemicals & components, which acts as an API's and intermediates for the pharma formulation industries. Whereas, other

products include Medicals Consumable 11.77 % and other basic chemicals, Polymers and perfumes comprise of 15.22%.

- IT & Telecom includes Telecom products with 67.91 %, Computer Software 13.05 % and Audio-Visual Content 19.04%.
- Other Merchandise include Clothing & Textile with 35.66 %, Agricultural products with 19.27%, Sports Equipment with 16.43%, and others products such Minerals Products, Scrap, Metals, Ferrous and Non Ferrous products with 47.91%.

Key Performance Indicators: **First Half Year 2021-22**

S. No	Details	Comments
1.	Turn Over Break up – actuals – incremental growth.	The revenue has grown strongly across the first Half year review period and in absolute terms the revenue stood at US\$ 764.78 mn in the review period against the turnover of US\$ 661.56 mn in H1 FY 2020-21. The turnover for H1 FY 2021-22 had increased from 16 % as compare to turnover of H1 FY 2020-21.
2.	Gross Profit - actuals – incremental growth.	The gross profit of the company exhibited 14% increase comparing H1 2020-21. In real terms the GP for H1 FY 2021-22 is US\$ 57.53 mn and H1 FY 2020-21 GP was US\$50.36 mn.
3.	Net Profit - actuals – incremental growth.	The NP for H1 FY 2021-22 had increase to 9 % as compare to NP of H1 FY 2020-21.The NP for H1 FY 2021-22 is US\$ 36.73 mn and NP for H1 FY 2020-21 was US\$ 33.81 mn.
4.	Working Capital	The Company has recorded strong working capital growth for the period under review. In absolute term it is US\$ 190 mn ageist US\$ 175 mn -the corresponding figure of last year. As per management, given the trading nature of business, most of assets are earning assets such as debtors and inventory. As the demand increased, the Company is buying more material so as to supply in time to meet increasing customer requirements.
5.	Net Worth	The company shows an excellent financial strength by indication of increasing net worth by increasing US\$ 374 mn from US\$ 316 mn.
6.	Operating Profit Margin	The operating profit margin has slightly declined during the review period. The operating profit margin is 4.88 % in H1 2020-21 whereas it was 5.15 % in H1 2021-22. The performance in operating profit margin shows the company effectively tries to curb the growth in operating expenses to improve the revenue.

7.	Gross Profit Margin	The gross profit margin of the Company has shown almost the same percentage of growth. The growth in H1 2021-22 is 7.52 % against 7.61% of H1 2020-21. This growth in gross profit margins has been a result of the Company maintains the same strategy of purchases where direct costs as a percentage of revenue has been marginally reduced.
8.	Net Profit Margin	The net profit margin shows 4.80 % in this reviewing period – in the pandemic situation the company tries the control being exerted on the indirect costs by the management on indirect costs.
9.	Operating Cash Flow margin	The operating cash flow margin has improved during the review period. The operating cash flow margin grew from 0.09% in H1 2020-21 to 1.64 % in H1 2021-22. It shows that the company’s improving ability to convert per unit of sales into cash.
10.	ROC	The ROC of this review period is 19.95% that indicates the profitability and efficiency of the company's capital investments which is in stronger side.
	Current Ratio	The current ratio is increased from 1.37 to 1.40 for the Half year H1 2020-21 and H1 2021-22 respectively which is well above the corporate average in the same line.
	Quick Ratio	The quick ratio moves in line with the current ratio - increased from 1.15 to 1.20 for the Half year H1 2020-21 and H1 2021-22 respectively which measures the strong ability of the company to settle short term obligations.

**(Summary of the Financial Results: (Q2 - 2021-22) – Refer Attachments 1 & 2
Summary of the Financial Results: (H1 - 2021-22) - Refer Attachments 3 & 4)**

These financial results are an impressive testament to the achievements of our management and staff even in the Pandemic period. The Directors are optimistic about the prospects for the ensuing year and expect to improve the performance of the Company.

We have improved the current ratio from 1.37 as on 31.12.2020 to 1.41 as on 31.12.2021 and the liquidity Ratio from 1.15 to 1.20 as on 31.12.2020 and 31.12.2021 respectively. Both the figures are well above level of corresponding trading companies’ ratio and show the company’s efficiency to meet its liquidity obligation.

Similarly, the TOL/TNW Ratio for the 2nd Quarter of 2021-22 improved to 1.23 from 1.49 of the same quarter of last year which is at par with the accepted level and well above the industrial average.

I assure to all of our consumers that the businesses are gaining strong traction, reflecting our customer obsession and investments in best-in class trade platforms. International market provides exciting opportunities to scale-up these businesses and maximize long-term shareholder value in the coming years.

In summary, we work efficiently to see the future with optimism and feel that Beaufond Plc remains ideally positioned to capitalize on growth opportunities in its key markets. Our time-tested strategy definitely serves as the appropriate framework to continue to drive our rapid growth. Moreover, I remain confident that we have the right team in place to continue to build out what has proven to be the leading international business out of the globe.

Sachin Saini
Managing Director & CEO

SUMMARY OF THE FINANCIAL RESULTS: (Q2 - 2021-22)

Particulars	01/10- 31/12/2021	01/10-31/12/2020
Revenue	375.12	316.67
Cost of Sales	346.90	292.03
Gross Profit	28.22	24.64
Other Income	1.23	---
Less		
Administrative & Selling Expenses	10.68	8.03
Depreciation	0.00	0.00
Financial Expenses	0.09	0.15
Bank Interest	0.55	0.19
Total Costs	11.32	8.37
Net Profit	18.13	16.27

BALANCE SHEET - Q2 Comparison	Actual Q2 2021-22	Actual Q2 2020-21
TOTAL ASSETS		
Non- Current Assets		
Long term advances	103.96	60.96
Property Plant and Equipment	0.07	0.08
Patent	80.00	80.00
Total non-current Assets	184.02	141.03
Current Assets		
Cash on Hand and at Banks	6.94	(6.83)
Accounts Receivable	544.20	547.57
Inventory	98.69	105.19
Total Current Assets	649.83	645.92
TOTAL ASSETS	833.85	786.95
TOTAL LIABILITIES		
Current Liabilities		
Accounts Payable	455.70	468.34
Other Payable & Provisions	3.70	2.53
Total Current Liabilities	459.40	470.87
Shareholders' Equity		
Share Capital	75.00	75.00
Retained Earnings	299.45	241.07
Total Shareholders' Equity	374.45	316.07
TOTAL LIABILITIES	833.85	786.95

SUMMARY OF THE FINANCIAL RESULTS: (Q2 - 2021-22) Continued

Details	Q2 2021-22 01/10/2021-31/12/2021	Q2 2020-21 01/10/2020-31/12/2020	% of Increase
Revenue	375.12	316.67	18.46
Direct Expenses	346.90	292.03	18.79
Gross Profit	28.22	24.64	14.52
Net Profit	18.13	16.27	11.42

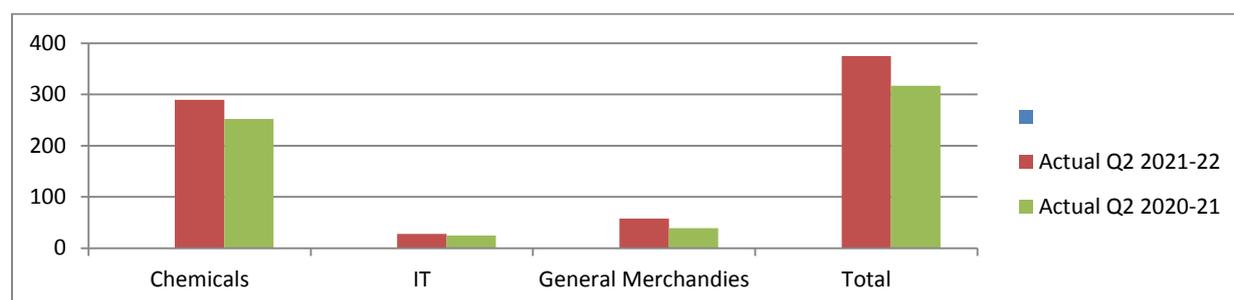
Stock:

USD in Mn

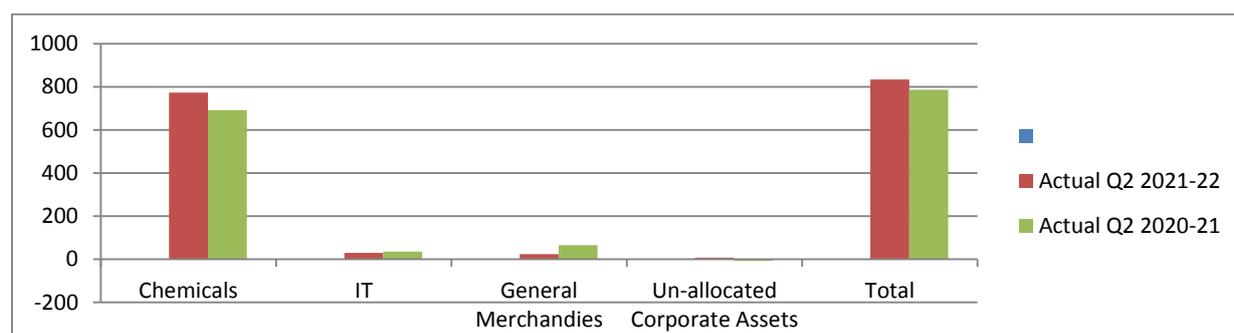
Period	As on 31.12.2021	As on 31.09.2021	As on 31.12.2020
Stock	98.69	101.55	105.19

Gross Revenue Segment**Product wise**

Gross Revenue Segment	Actual Q2 2021-22	Actual Q2 2020-21
Chemicals	289.49	252.46
IT	28.05	24.86
General Merchandise	57.58	39.36
Total	375.12	316.67

**Gross Assets Segment****Product Wise**

Gross Assets Segment	Actual Q2 2021-22	Actual Q2 2020-21
Chemicals	772.38	691.14
IT	29.47	36.44
General Merchandies	24.68	66.13
Un-allocated Corporate Assets	7.32	(6.76)
Total	833.85	786.95



Attachment 3

SUMMARY OF THE FINANCIAL RESULTS: (H1 - 2021-22)

Particulars	01.07 to 31.012.2021	01.07 to 31.07.2020
Revenue	764.78	661.56
Cost of sales	707.25	611.19
Gross Profit	57.53	50.36
Other Income	1.23	---
Less:		
Administrative & Selling Expenses	21.17	15.97
Depreciation	0.01	0.01
Finance Charges	0.24	0.33
Interest	0.62	0.25
Total Costs	22.04	16.55
Net Profit	36.73	33.81

BALANCE SHEET – H1 Comparison		
Actuals		
TOTAL ASSETS		
Non- Current Assets		
Long term advances	103.96	60.96
Property Plant and Equipment	0.07	0.08
Patent	80.00	80.00
Total non-current Assets	184.02	141.03
Current Assets		
Cash on Hand and at Banks	6.94	(6.83)
Accounts Receivable	544.20	547.57
Inventory	98.69	105.19
Total Current Assets	649.83	645.92
TOTAL ASSETS	833.85	786.95
TOTAL LIABILITIES		
Current Liabilities		
Accounts Payable	455.70	468.34
Other Payable & Provisions	3.70	2.53
Total Current Liabilities	459.40	470.87
Shareholders' Equity		
Share Capital	75.00	75.00
Retained Earnings	299.45	241.07
Total Shareholders' Equity	374.45	316.07
TOTAL LIABILITIES	833.85	786.95

Attachment 4

SUMMARY OF THE FINANCIAL RESULTS: (H1 - 2021-22) Continued

US\$ in mn

Details	01/07- 31/12/2021	01/07-31/12/2020	% of Increase
Turnover Increase	764.78	661.56	16
Direct Expenses	707.25	611.19	16
Gross Profit	57.53	50.36	14
Net Profit	36.73	33.81	9

Stock:

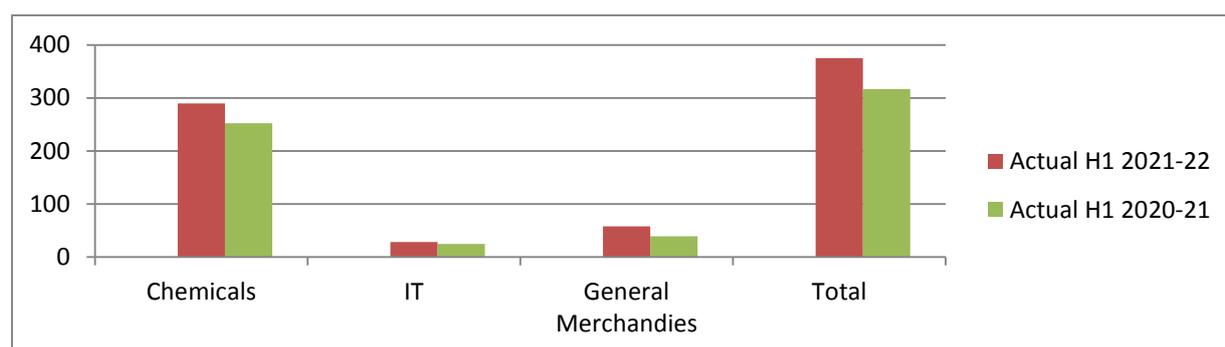
US\$ in Mn

Period	As on 31.12.2021	As on 31.09.2021	As on 31.12.2020
Stock	98.69	101.55	105.19

Gross Revenue Segment

Product wise

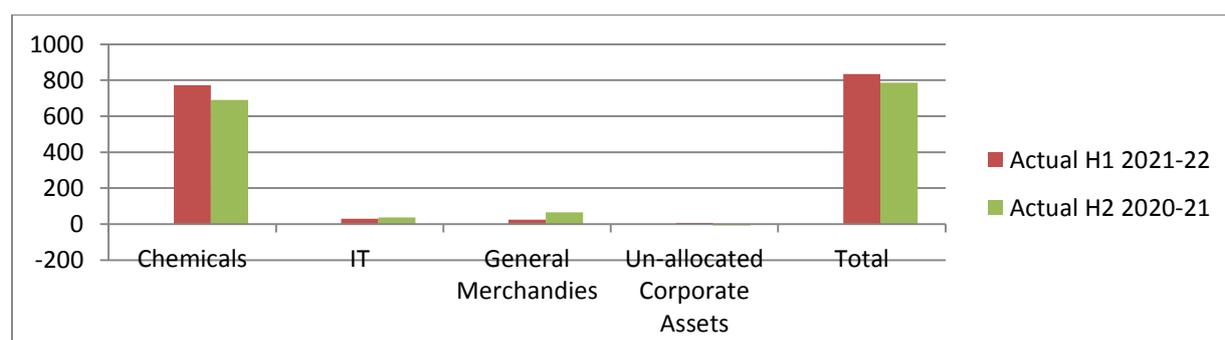
Gross Revenue Segment	Actual H1 2021-22	Actual H1 2020-21
Chemicals	578.16	522.01
IT	61.66	60.36
General Merchandise	124.96	79.19
Total	764.78	661.56



Gross Assets Segment

Product Wise

Gross Assets Segment	Actual H1 2021-22	Actual H1 2020-21
Chemicals	772.38	691.14
IT	29.47	36.44
General Merchandise	24.68	66.13
Un-allocated Corporate Assets	7.32	(6.76)
Total	833.85	786.95



Board of Directors

The board has 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.

About the Company:

Beaufond Plc is a multi-segments international Trading and Distribution Company, focused on commodity supply chain by acquisition, development, and commercialization of branded running products with a focus on underserved niche markets and a commitment to innovation, Beaufond is working hard to develop and improve the quality of products for its customers and deliver sustained growth and profitability to its shareholders.

Beaufond Plc is diversified by its geographic location with operations across six continents and the business touches the lives of millions across the globe and its products range in various segments and with its vast experienced staff, which helped to maximise the value created by the company over the last 12 years. Beaufond Plc is one of the largest international trading and distribution company, having presence across the globe. Beaufond dedicated teams continuously develop our intellectual property portfolio and have more than doubled the number of patents over the last five years.

In an increasingly complex global environment, a strong and effective company culture is fundamental to empower sustainable growth and business success. As a multi-material and multi-product company, we apply world-class practices every day and expand into adjacent technical insulation end markets, continuously extending our temperature range and equipment verticals. Since the inception of Beaufond, we have developed breakthrough, category-leading products that have helped to shape our industry.

Beaufond PLC has the objectives of future planning of setting up a clear direction for the next 5 years which incorporates structured financial consolidation and disciplined growth in sales, exploring new avenues for growth, and maintaining our commitment to sustainable business development.

The success story of the Company for its sustainable growth, stability and credibility for last one decade in the international business, is the Company's clear vision of Risk mitigation process that put in to the system that is carried by the entire team work with true spirit.

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