

Shaily Engineering Plastics Ltd

Q3FY21 Result Update Presentation

Saturday, 6th February 2021



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**Our
Performance**



Carbon Steel

- Commenced commercial production at Steel Furniture plant in Dec 20

Home Furnishings

- Confirmation for additional business of Rs 120 cr received from Home Furnishing major

Toy Business

- Expansion of Rania facility to meet new and existing projects of Toys business
- Facility to be operational by end of current fiscal year
- 1 new product confirmed from customer; business value of US\$ 1.5 mn/year

Healthcare

- Developed IP for 1 pen injector

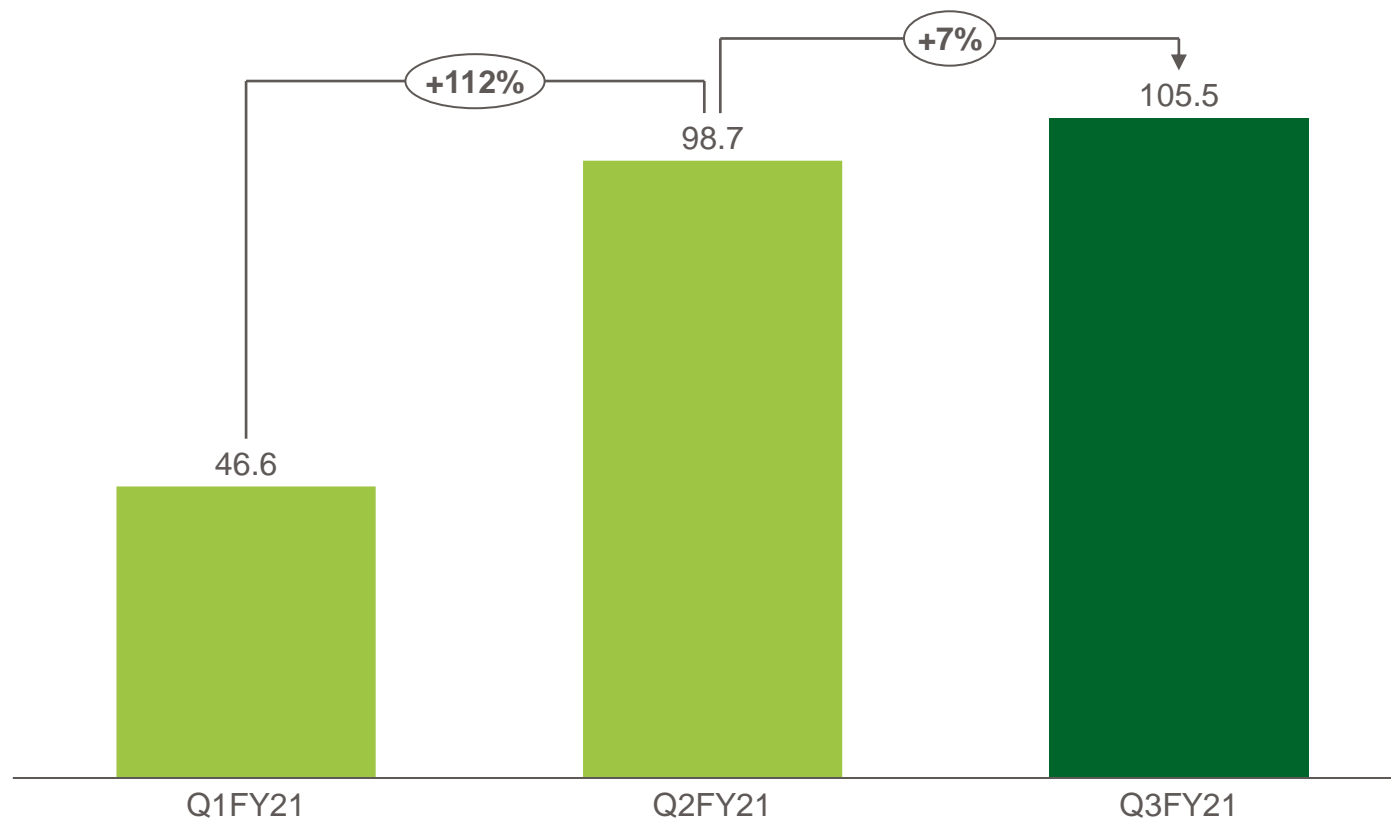
Expansion of Capacity

- Started construction of new plastic plant at Halol new complex
- Plant to be operational in H1 FY22

Witnessed strong Revenue recovery



(Rs. Cr.)

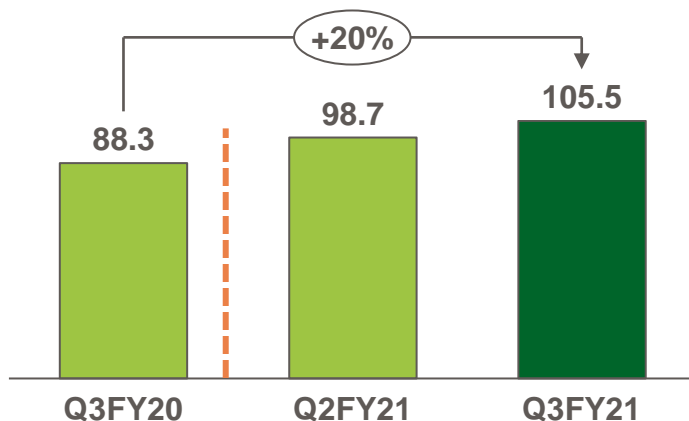


Commercialization of orders, bagged in FY20, led to recovery and sustained uptick in Revenues

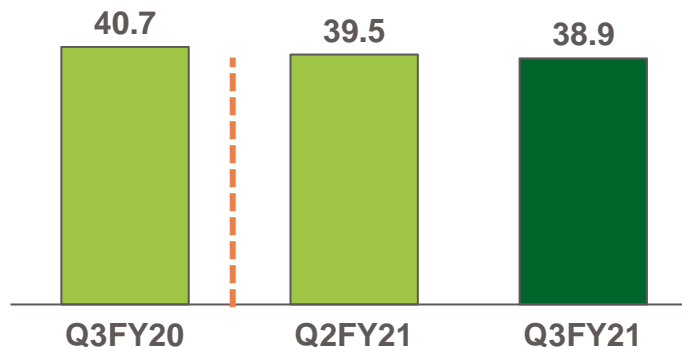
Key Financial Highlights – Q3FY21



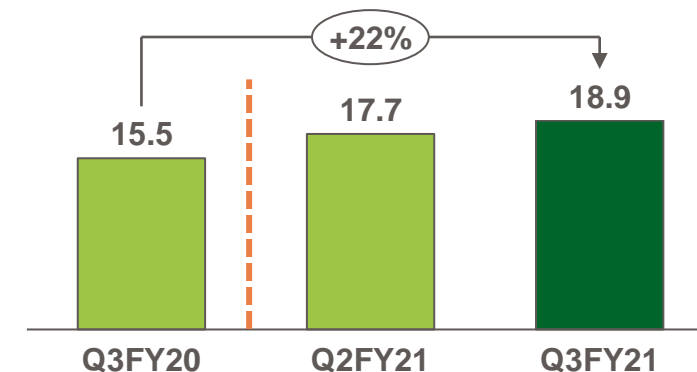
(Rs. Cr.) Revenue



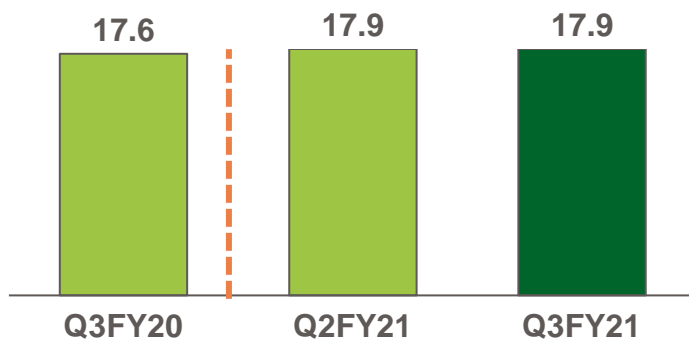
Gross Margin %



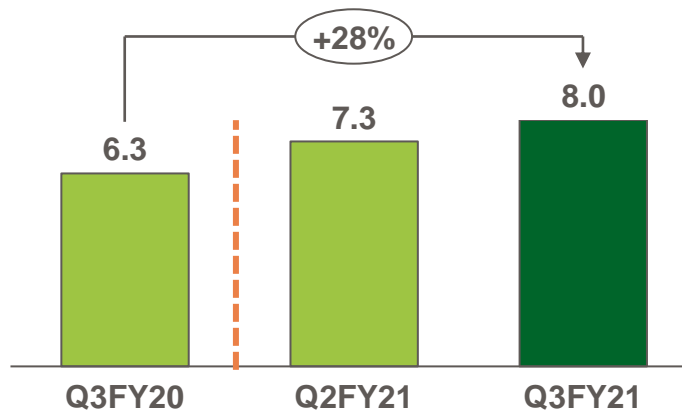
(Rs. Cr.) EBITDA



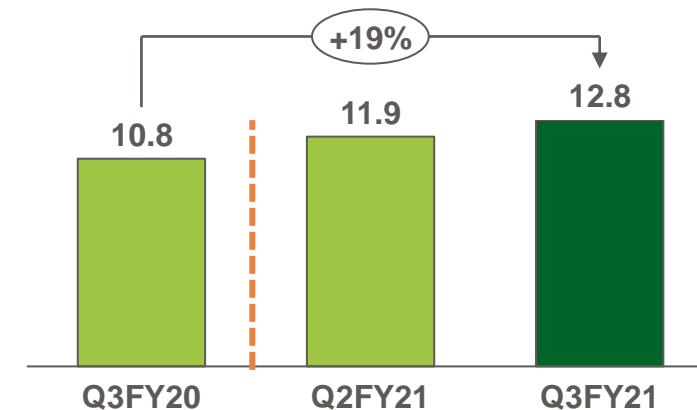
EBITDA Margin %



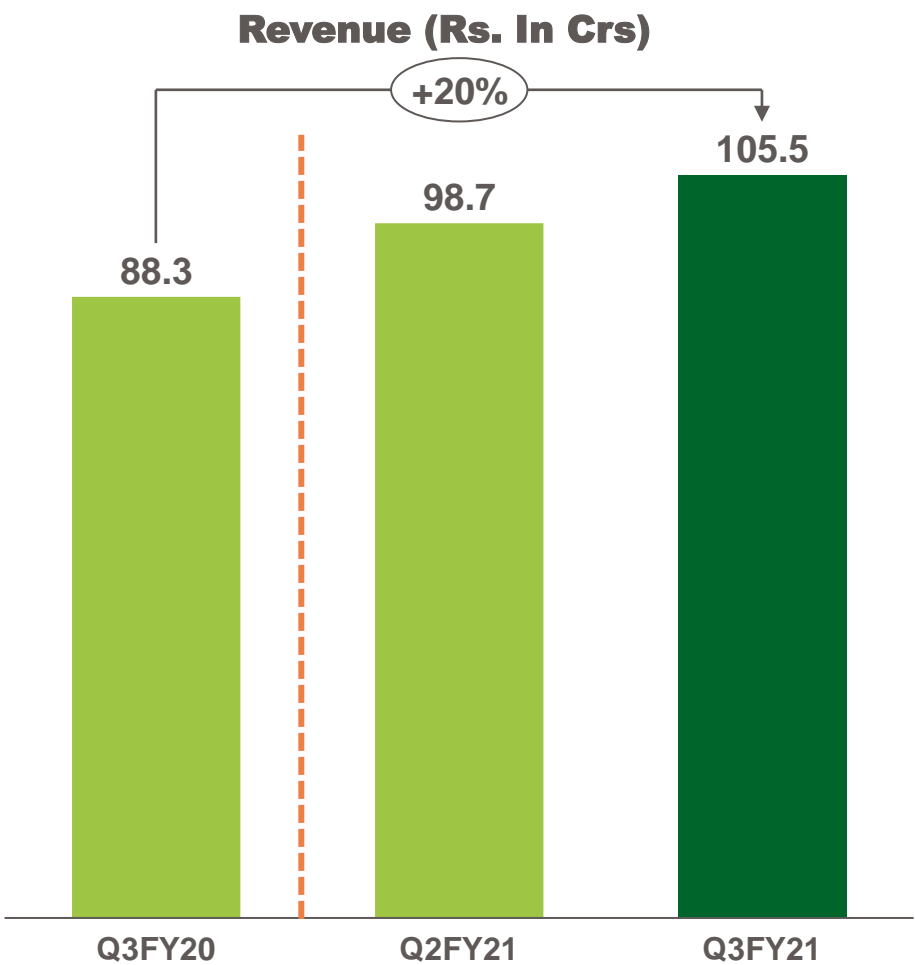
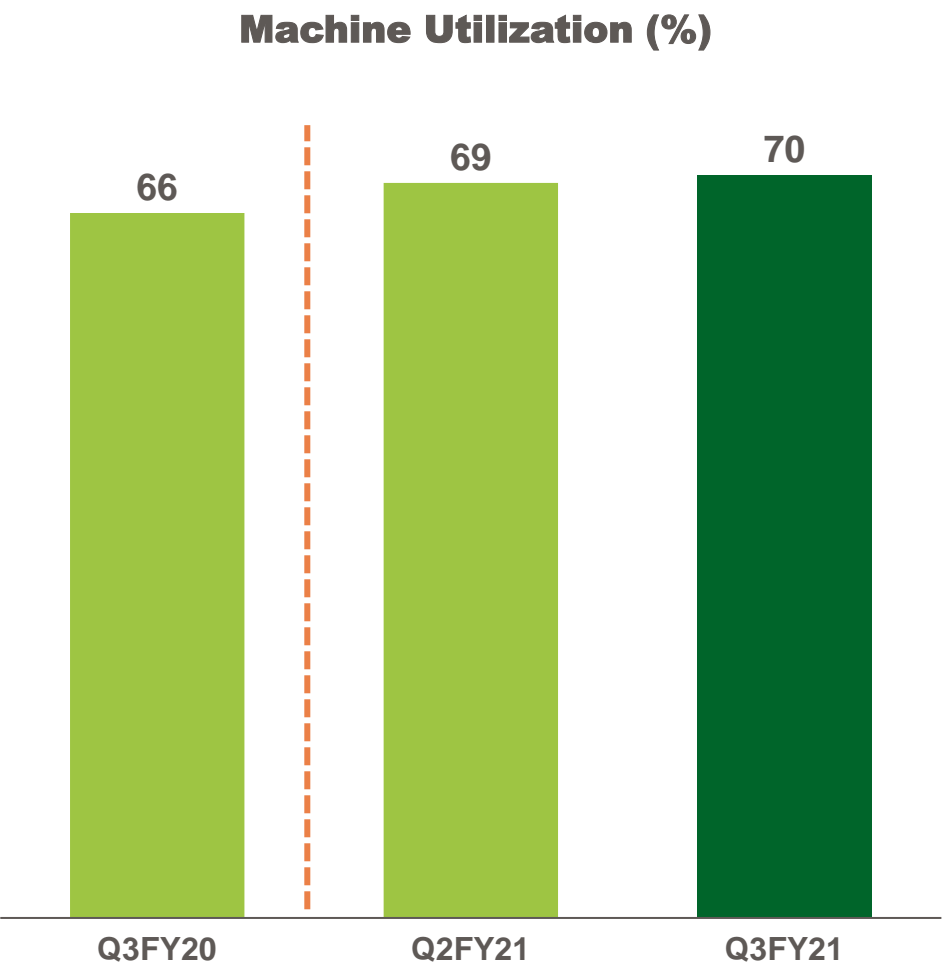
(Rs. Cr.) PAT



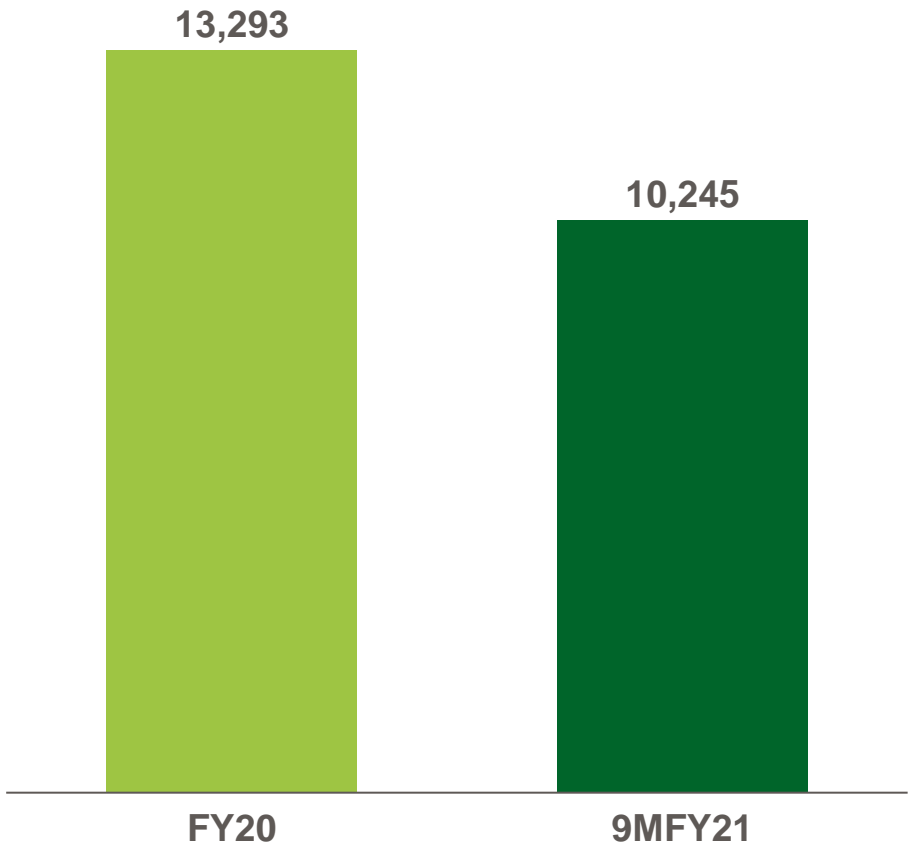
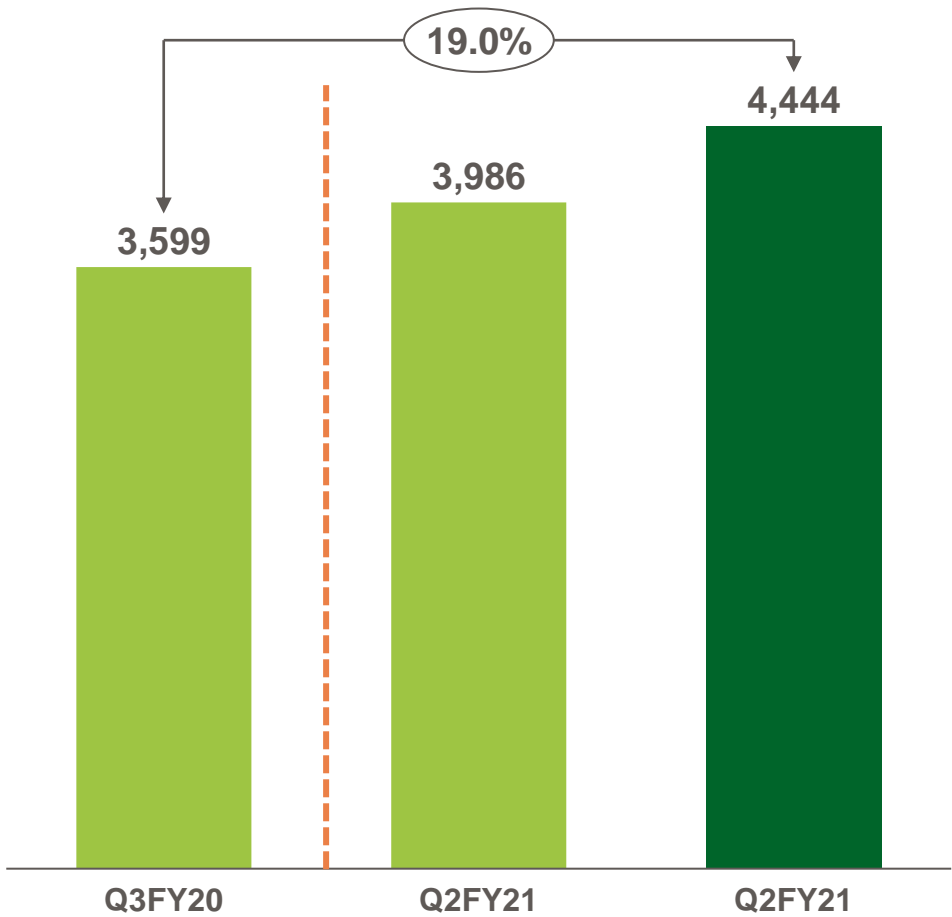
(Rs. Cr.) Cash PAT #



Machine Utilization – Across Plants

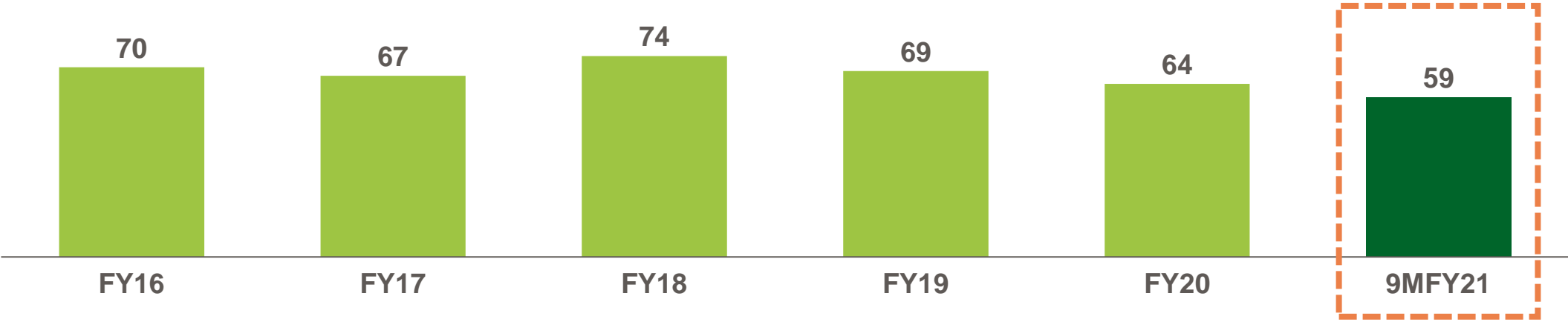


Volume of Polymers Processed

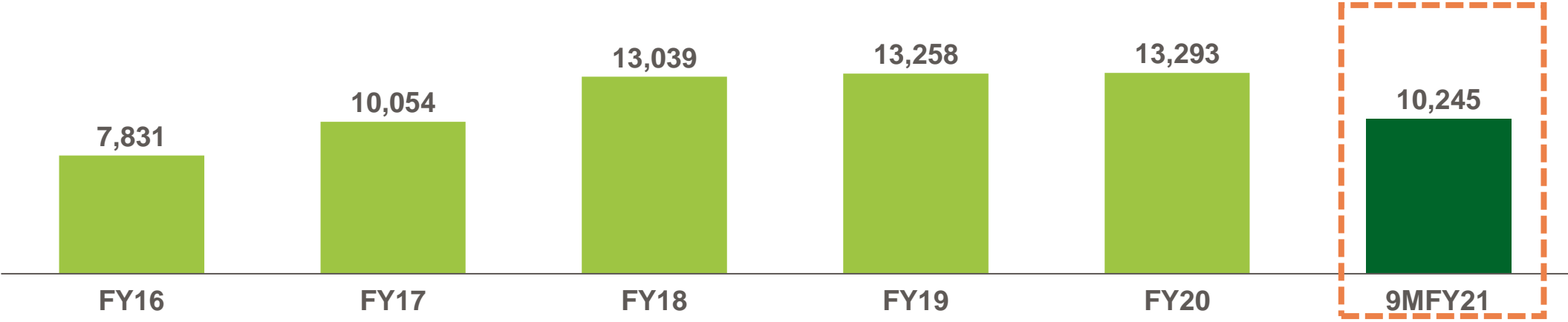


Volume in Tons

Machine Utilization (%)

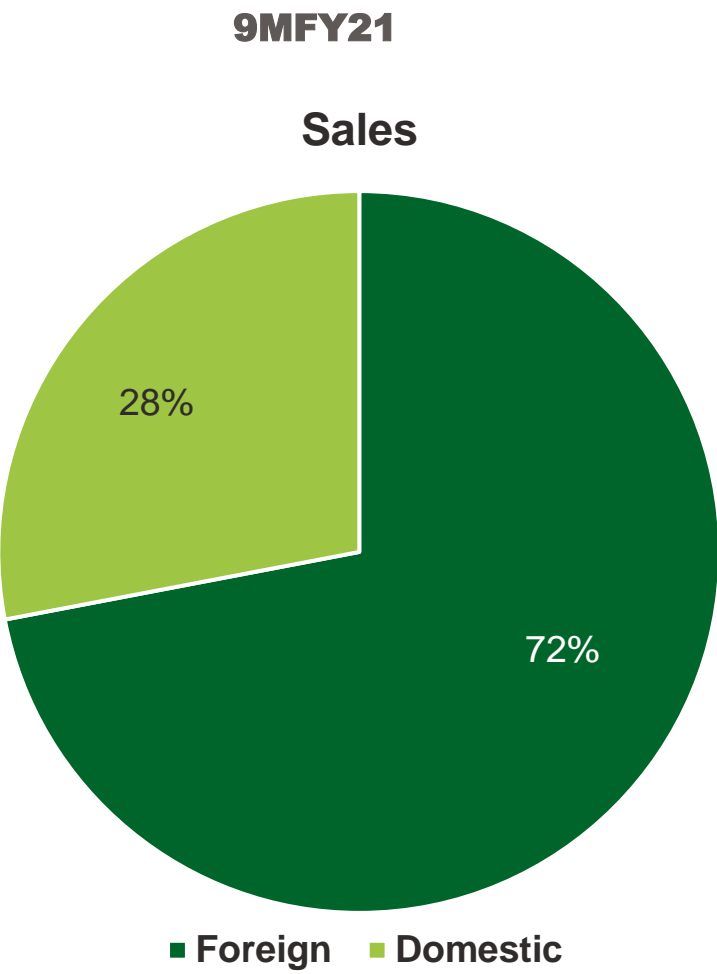
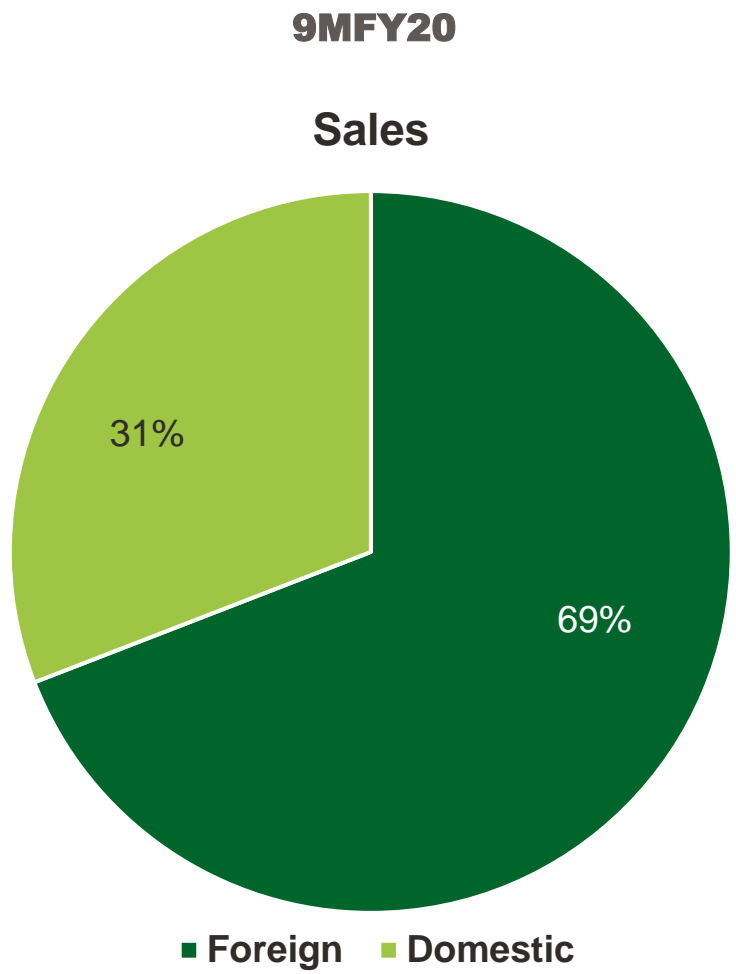


Volumes of Polymers Processed (MT)



Figures are rounded off

Revenue Analysis - Domestic Vs. Exports



Income Statement



Particulars (Rs. Cr.)	Q3FY21	Q3FY20	YoY %	Q2FY21	QoQ %	9MFY21	9MFY20	YoY %	FY20
Revenue	105.5	88.3	19.6%	98.7	6.9%	250.8	256.4	-2.2%	336.0
Raw Material	64.5	52.3		59.7		152.1	154.0		197.9
Employee Expenses	9.0	6.5		8.1		24.1	19.0		26.0
Other Expenses*	13.2	14.3		13.3		34.8	40.5		54.1
Other Income	0.0	0.3		0.1		0.2	1.2		1.0
EBITDA	18.9	15.5	21.9%	17.7	6.9%	40.1	44.1	-9.2%	59.1
EBITDA Margin	17.9%	17.6%		17.9%		16.0%	17.2%		17.6%
Depreciation	4.8	4.5		4.6		13.9	13.2		17.9
Finance Cost	3.4	2.3		3.1		9.4	7.7		10.5
PBT	10.7	8.7	23.7%	10.0	7.2%	16.7	23.2	-27.8%	30.7
PBT Margin	10.2%	9.8%		10.1%		6.7%	9.0%		9.1%
Tax	2.7	2.4		2.7		4.4	6.5		7.1
PAT	8.0	6.3	27.7%	7.3	9.5%	12.3	16.6	-26.0%	23.6
PAT Margin	7.6%	7.1%		7.4%		4.9%	6.5%		7.0%
Cash PAT[^]	12.8	10.8	18.7%	11.9	7.3%	26.2	29.9	-12.2%	41.5
Cash PAT Margin	12.1%	12.2%		12.1%		10.5%	11.6%		12.3%

[^] Cash PAT = PAT + Depreciation

* Other Expenses include Power & Fuel costs

Balance Sheet

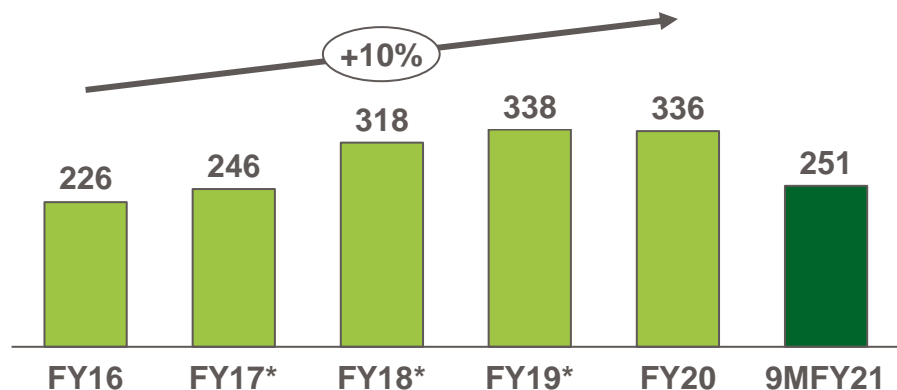
Particulars in (Rs. Cr.)	Sep-20	Mar-20
Assets		
Non-current Assets	240.4	220.9
Fixed Assets		
Property Plant & Equipment	154.2	154.9
Capital WIP	52.9	37.2
Intangible Assets	12.1	10.9
Financial Assets		
Investments	0.0	0.2
Loans & Advances	0.5	0.5
Other Non-current Assets	15.3	14.0
Income Tax assets (net)	5.4	3.2
Current Assets	162.3	160.6
Inventories	43.8	49.7
Financial Assets		
Trade Receivables	63.9	61.0
Cash & cash equivalents	3.1	7.0
Loans & Advances	29.1	16.9
Other Current Assets	22.4	26.0
Total Assets	402.7	381.5

Particulars (Rs. Cr.)	Sep-20	Mar-20
Equity & Liabilities		
Equity	162.9	159.4
Share Capital	8.3	8.3
Other Equity	154.5	151.1
Non-Current Liabilities	100.5	81.3
Financial Liabilities		
Borrowings	91.6	72.1
Deferred Tax Liabilities (Net)	7.2	7.3
Other Non-Current Liabilities	0.4	0.4
Provisions	1.3	1.5
Current Liabilities	139.38	140.8
Financial Liabilities		
Borrowings	42.2	50.6
Trade Payables	42.3	51.2
Other Financial Liabilities	26.7	24.6
Other Current Liabilities	27.6	13.8
Provisions	0.5	0.7
Total Equity & Liabilities	402.7	381.5

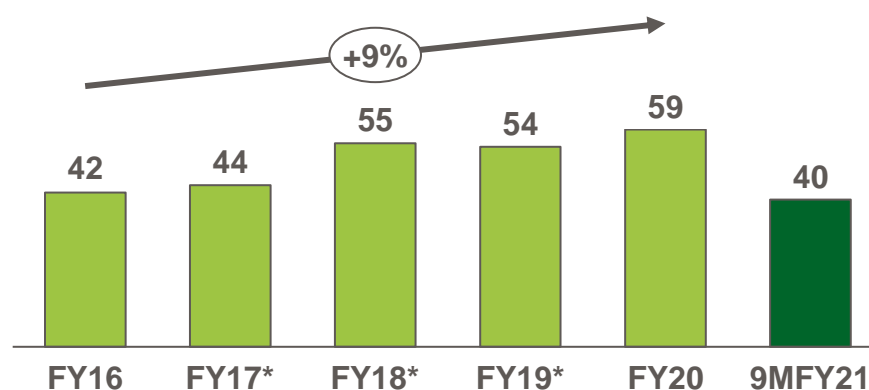
Delivering PROFITABLE GROWTH



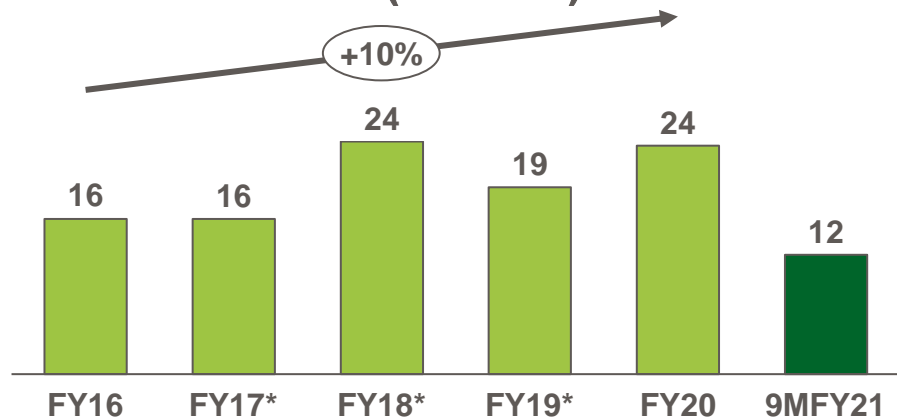
Revenue (Rs. In Crs)



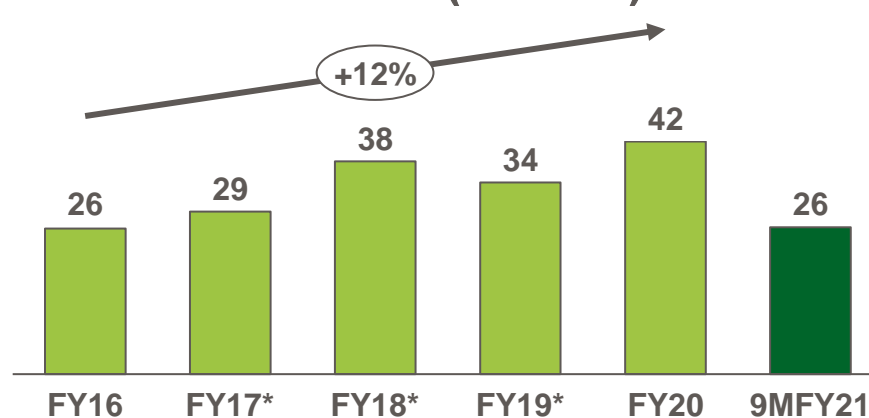
EBITDA (Rs. In Crs)



PAT (Rs. In Crs)



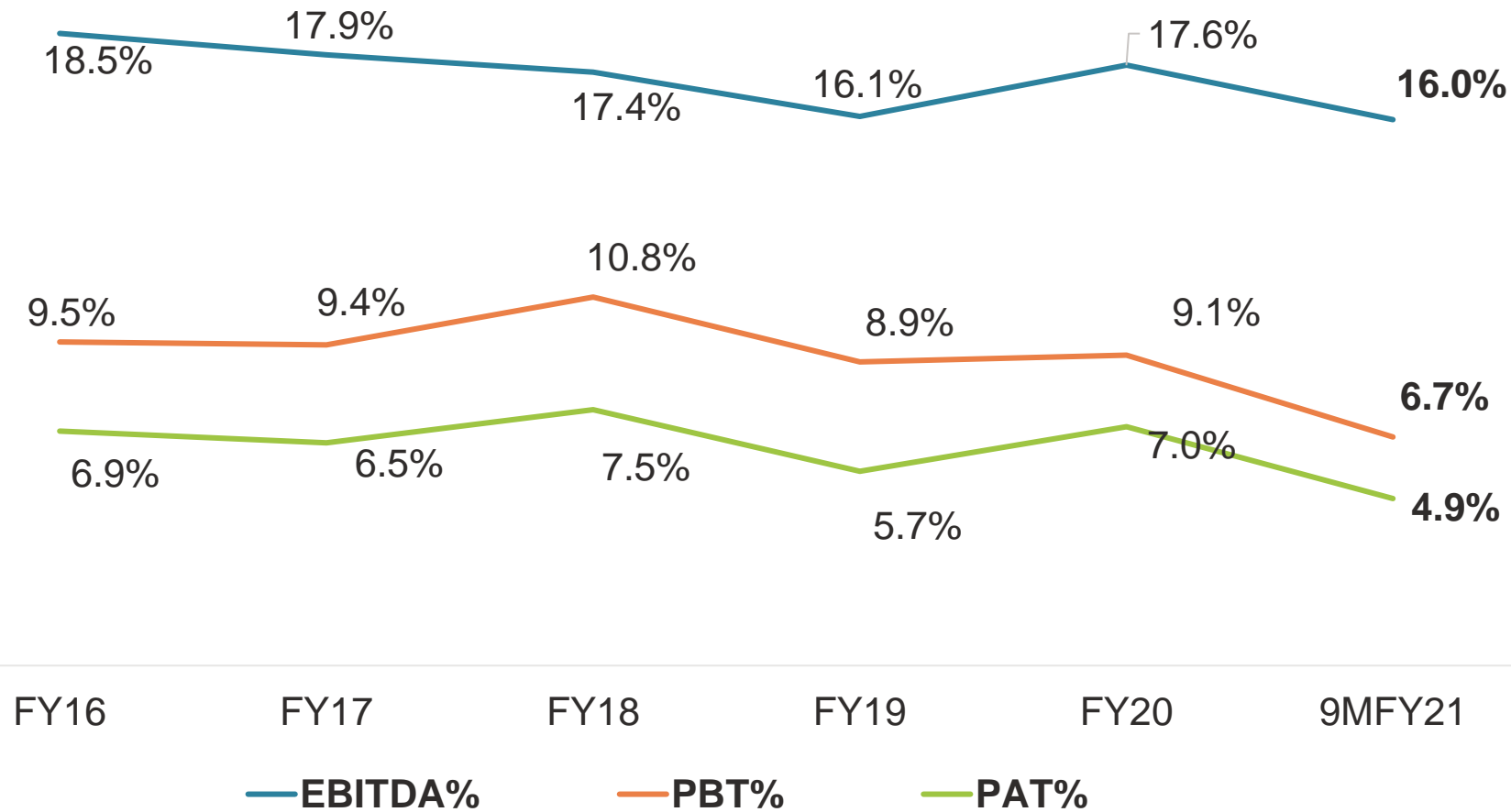
Cash PAT (Rs. In Crs)



- Revenue growth has been aided by growth in business across verticals especially the Healthcare segment; additionally new SKUs in Home Furnishing segment have also contributed

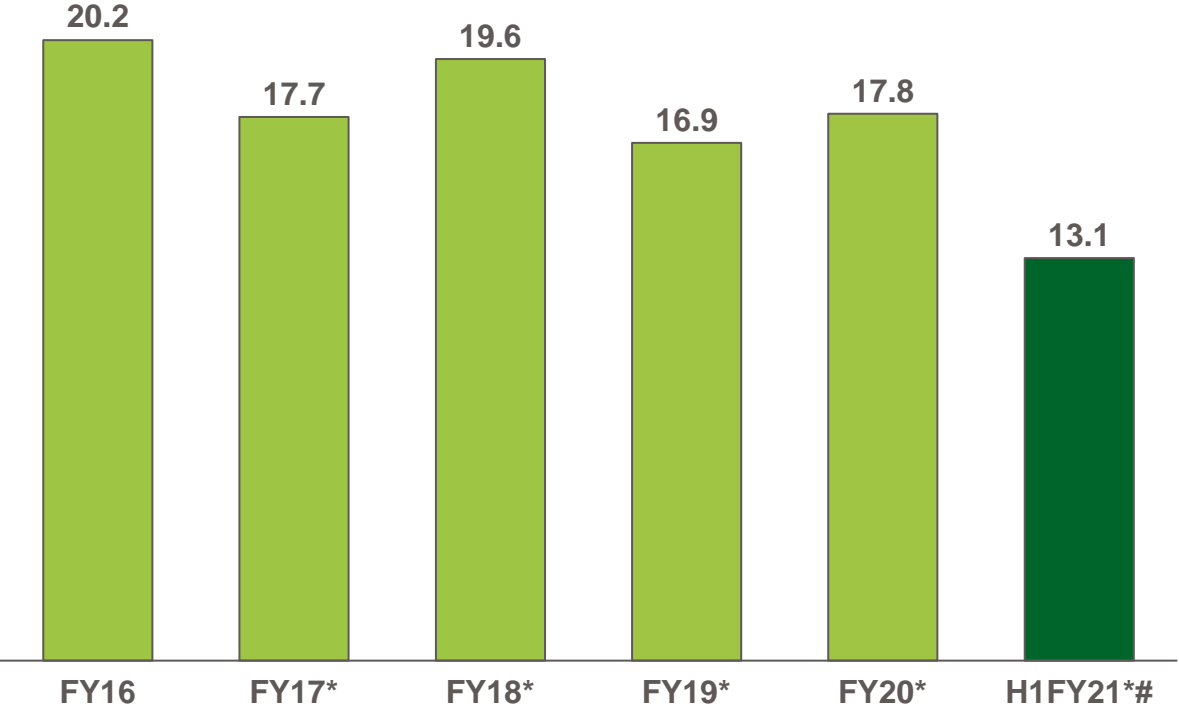
- Reported record EBITDA in FY20 on back of higher contribution from Healthcare segment

MARGIN Profile

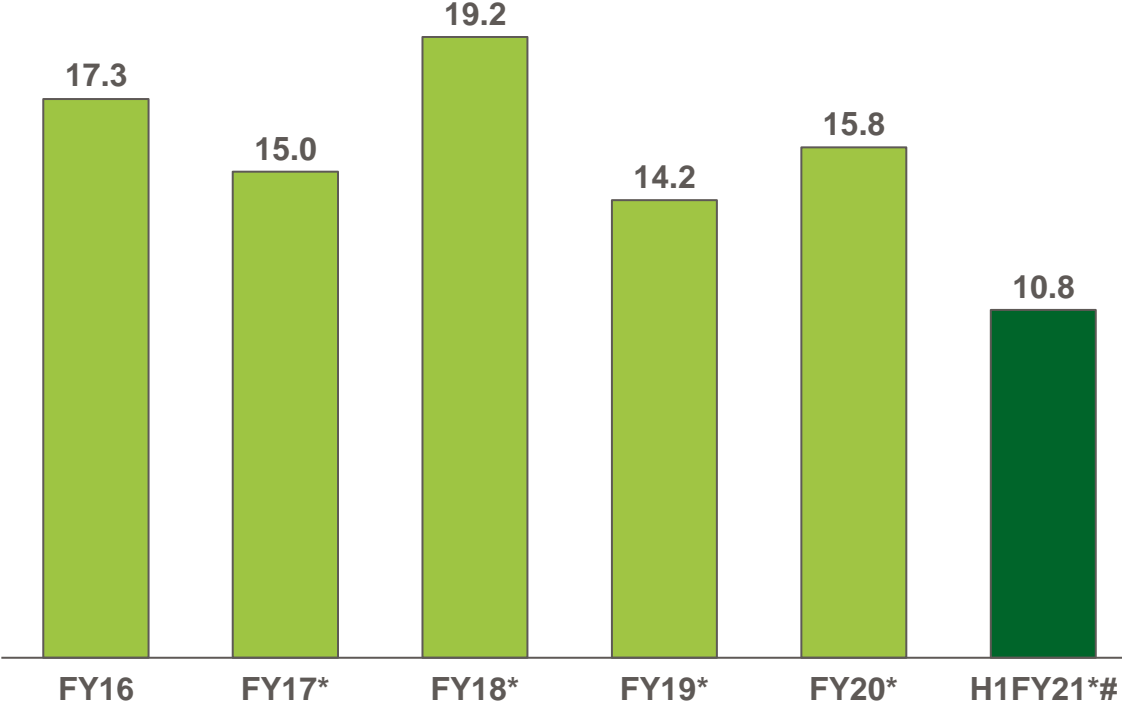


- Better Product mix and economies of scale on account of raw materials have led to improvement in margin profile from FY16 to FY20
- FY19 margin was profile impacted on account of labor shortage, power disruptions and change in ordering policy from a key client
- Witnessed improvement in margin in FY20 on back of higher contribution from Healthcare segment
- 9MFY21 performance was impacted on account of Covid-19

ROCE (%)



ROE (%)



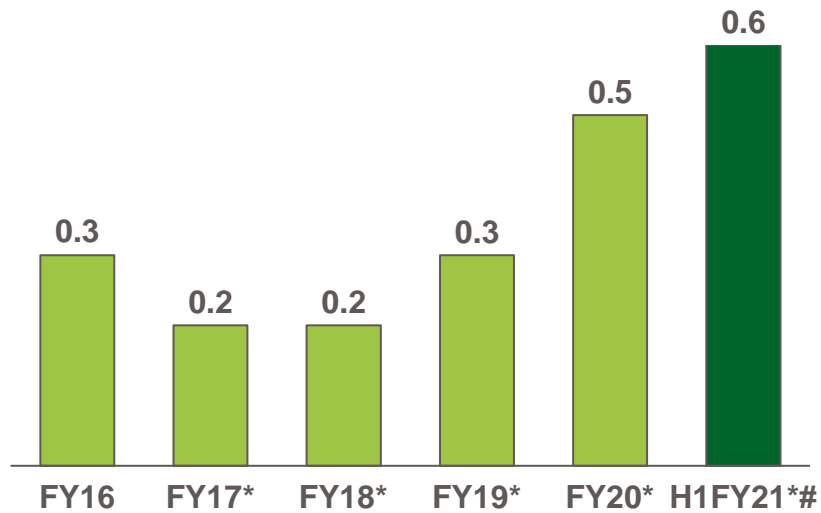
*As per IndAS
Annualised

Growth Along With Low Leverage

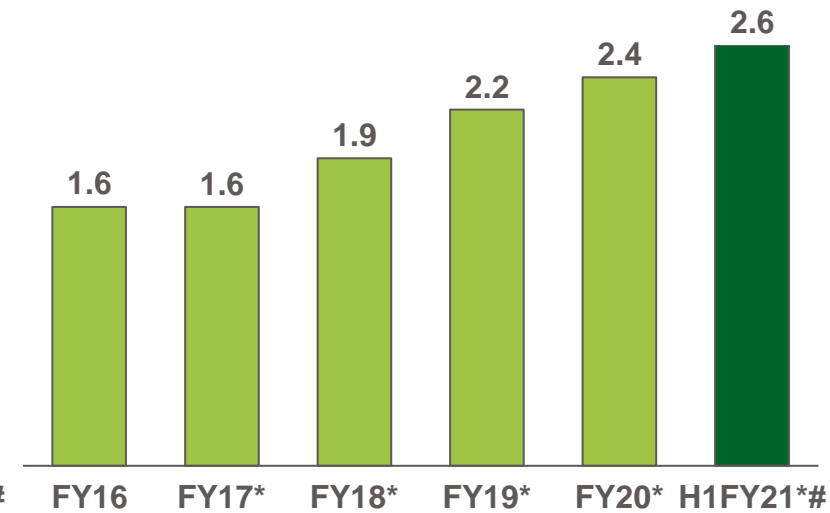
Total Debt : Equity (x)



Long Term Debt : Equity (x)



Total Debt : EBITDA (x)

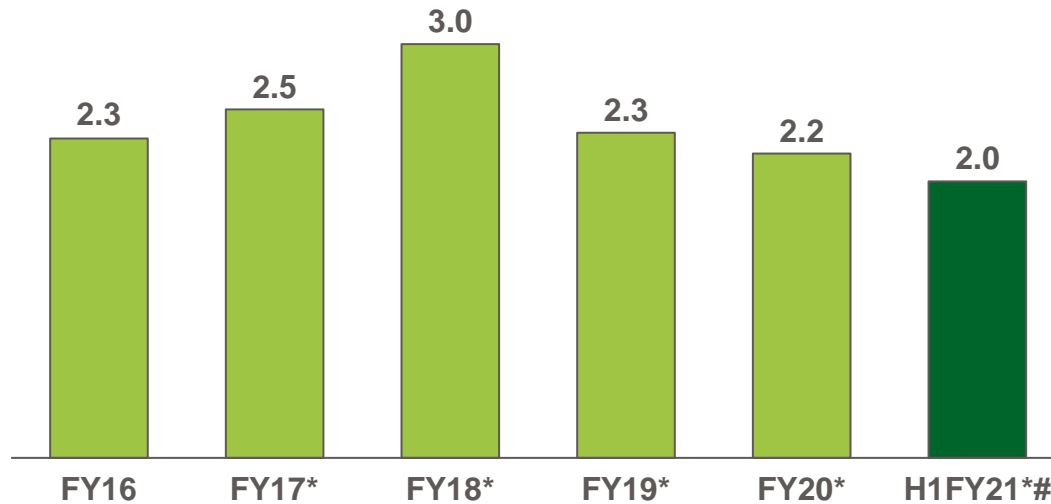


- The growth in Business has been achieved with disciplined use of capital
- The internal accruals also been utilized towards scheduled repayments of Long-term loans, which have positively impacted the credit rating therefore the borrowing costs

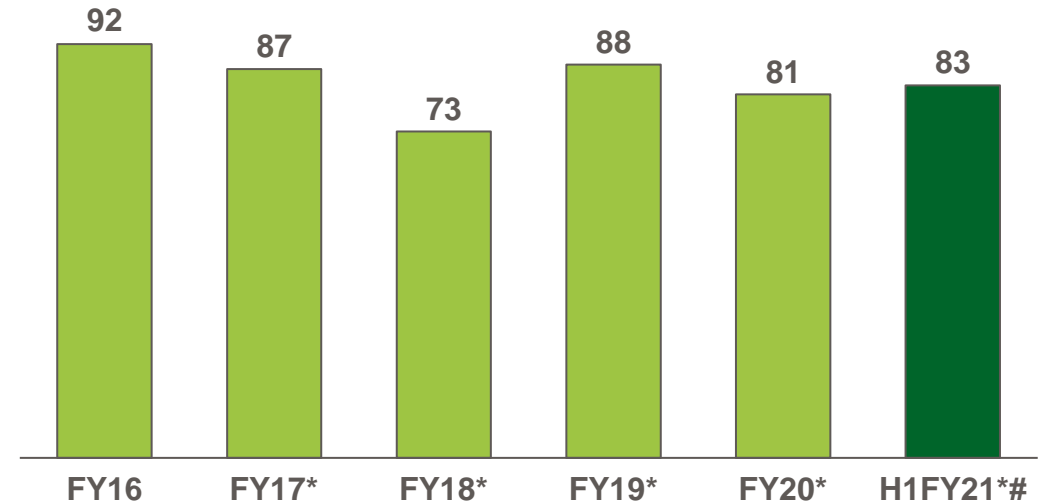
Strong Focus on Improving Our Key Metrics



Fixed Asset Turnover (X)



FCFF to EBITDA (%)



- The Fixed Asset Turnover has been inching up despite continuous capex (barring FY19) on back of improving utilization levels to cater to the new business wins across multiple segments of Home Furnishing, FMCG, Pharma
- Cash flow generation has been healthy resulting in capex spends from internal accruals

Carbon Steel Plant Update

- Commissioning of Carbon Steel Plant at Halol was delayed on account of Covid-19
- After successfully completing trial runs at Carbon Steel plant in Q2FY21, commenced commercial production at Steel furniture plant in December 2020

New Carbon Steel Facility at Halol



Overview



Shaily at a Glance



**6
Facilities in
Gujarat;
5 for Plastic &
1 for Steel
Furniture**

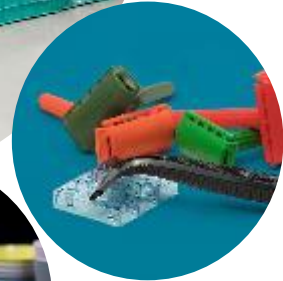
**REVENUE
5 Years CAGR
10% ↑**

**120+ Injection
Moulding
Machines**

**EBITDA
5 Years CAGR
9% ↑**

**1,100+
Employees**

**PAT
5 Years
CAGR
10% ↑**

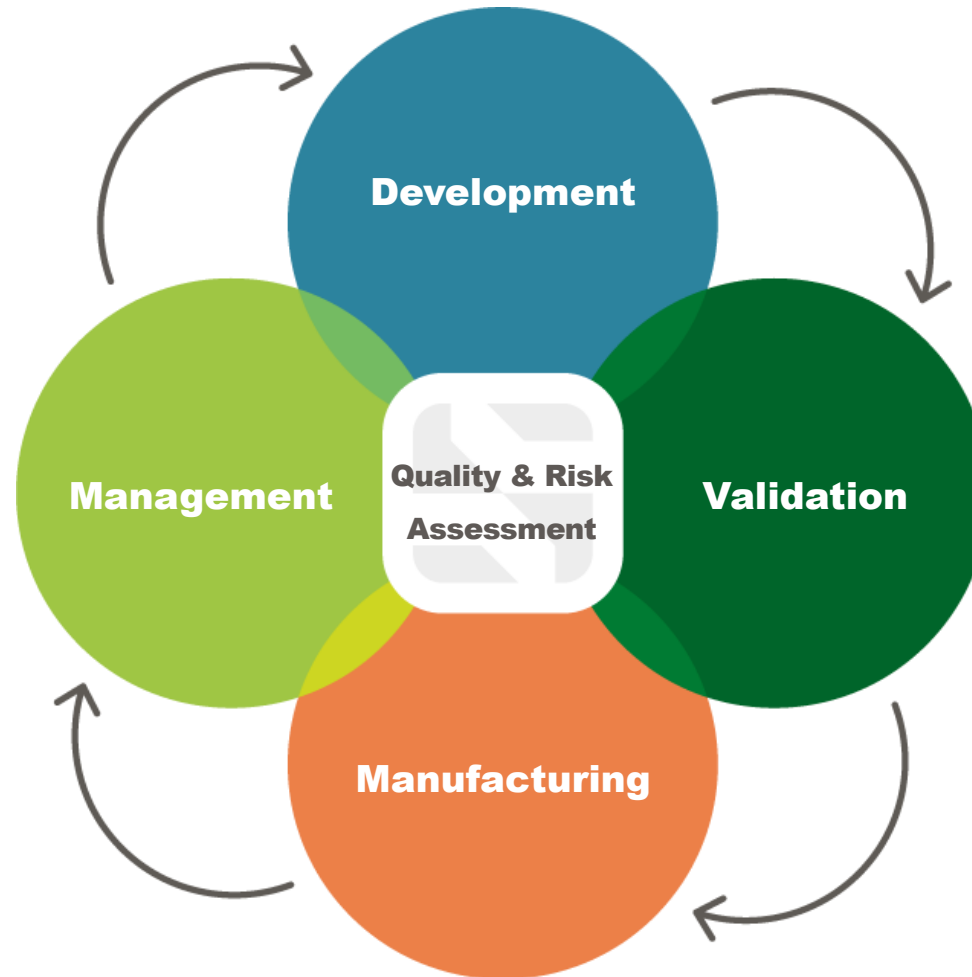


Management

- Key account
- Supply chain
- Continuous improvement

Manufacturing

- Precision injection molding
- Cleanroom manufacturing
- Innovative assembly
- Industrialization and scale up



Development

- Conceptualization
- Program management

Validation

- Pilot testing
- Quality management system
- Documentation

**UPGRADED Bank Facilities
to CARE A- and CARE A2+
with Stable Outlook**



Long and established track record in the plastic injection molding business along with experienced Promoters



Growth in Total operating income on the back of increased volumes & higher exports



Sustainable healthy operating margin along with strengthening leverage and debt coverage indicators



New business confirmations from existing clients along with addition of marquee clients across diversified industries



Sustainable healthy operating margin along with strengthening leverage and debt coverage indicators

Risks we face and Mitigation strategies against the same



Risks



Risk Mitigation strategy



Revenue Growth

Risks: We are a B2B player and are dependent on the success of our customers products in end products as well as Global Economic Environment

Mitigation Strategy: We have diversified our product portfolio across multiple customers, multiple SKUs and multiple business segments



Labour & Manpower availability

Risks: We have faced challenges in terms of Labour and Manpower affecting production schedules

Mitigation Strategy: We have increased the mix of permanent labour and manpower in all our facilities. Further we have hired technical Manpower from ITI



Raw Material price volatility

Risks: Volatility in prices of Raw materials can create volatility in Margins

Mitigation Strategy: We have a raw material price pass through with all our customers. The price pass through mechanism is varied across customers

Our Way Forward is... clear !



Revenue Uptick

Sustained uptick in Revenue based on New business confirmations, addition of new clients and increased contribution from New business segment

Increase Healthcare Revenue

Expect 2-3x revenue growth from Healthcare segment on back of faster penetration within existing and new clients as well as large pipeline of products

Sustain EBITDA Margin

EBITDA margin should be sustainable on annual basis on back of higher utilizations in existing facilities and increasing contribution from Healthcare segment

Uptick in Profitability

Limited investment in capex, faster capacity utilization in Carbon Steel business and Healthcare business to lead to an uptick in Return ratios and profitability

Vast Experience and Capabilities

Varied manufacturing experience across multiple segments, long standing Global relationships, complex engineering capabilities and consistent delivery, we are a highly competent Manufacturer

Benefit under Make in INDIA

Global majors to increasingly outsource manufacturing to India and create alternate manufacturing hubs

Company



Investor Relations Advisors



Company :

Investor Relations Advisors :

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CIN – L51900GJ1980PLC065554

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