

**Shaily Engineering Plastics Ltd**

# **Q1FY20 Investor Presentation**

**Thursday, 8<sup>th</sup> August 2019**





# Overview

This presentation and the accompanying slides (the “Presentation”), which have been prepared by **Shaily Engineering Plastics Limited** (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

# Shaily at a Glance



**5  
Facilities in  
Gujarat**

**REVENUE  
5 Years CAGR  
17% ↑**

**100+ Injection  
Moulding  
Machines**

**EBITDA  
5 Years CAGR  
18% ↑**

**1,100+  
Employees**

**PAT  
5 Years  
CAGR  
10% ↑**



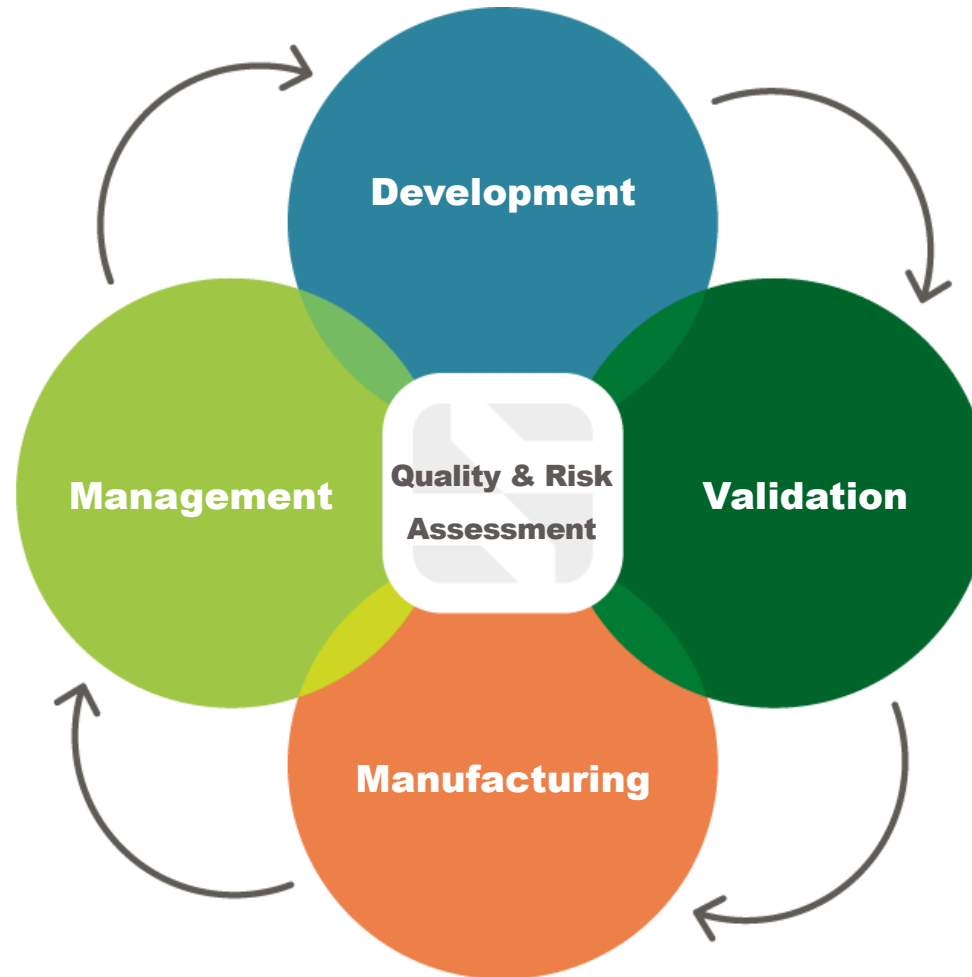


## Management

- Key account
- Supply chain
- Continuous improvement

## Manufacturing

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



## Development

- Conceptualization
- Program management

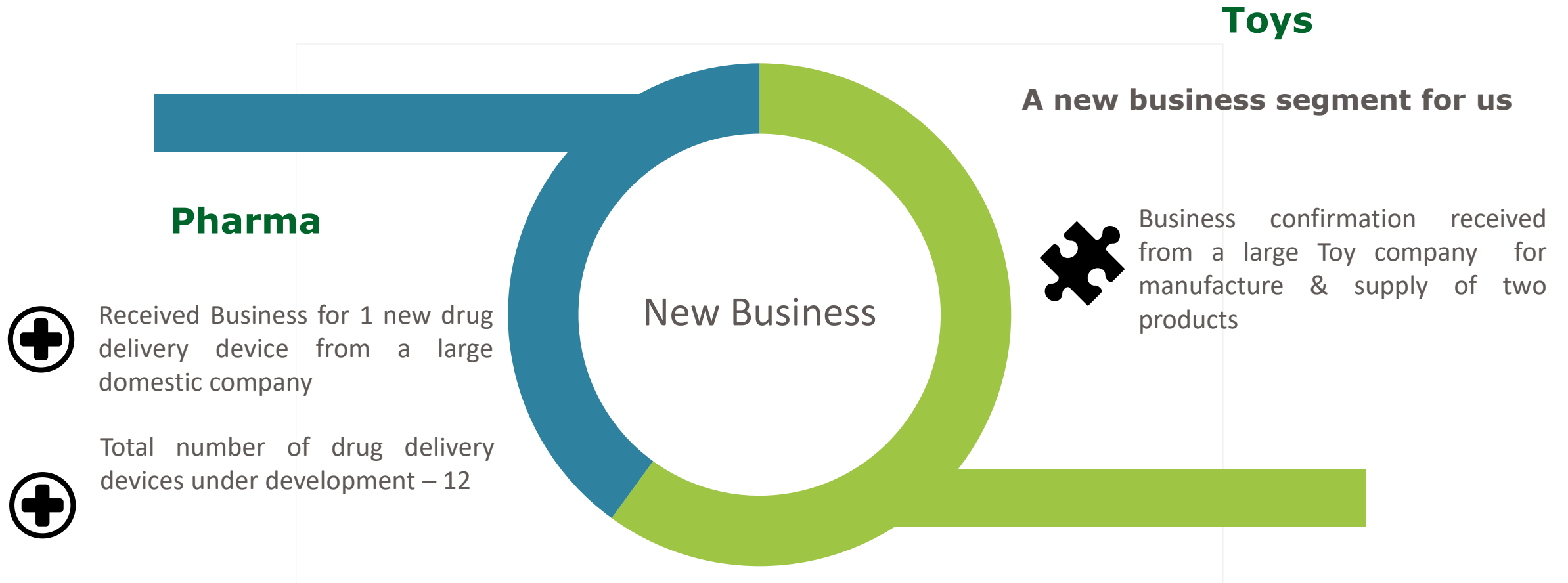
## Validation

- Pilot testing
- Quality management system
- Documentation



**Our  
Performance**





## Operating Performance in Q1 FY20



₹ **81** Crores  
Revenue

 **13** Crores  
EBITDA

**16.6 %**  
EBITDA Margin

 **7** Crores  
PBT

 **5** Crores  
PAT

 **0.8x**  
NET Debt: Equity

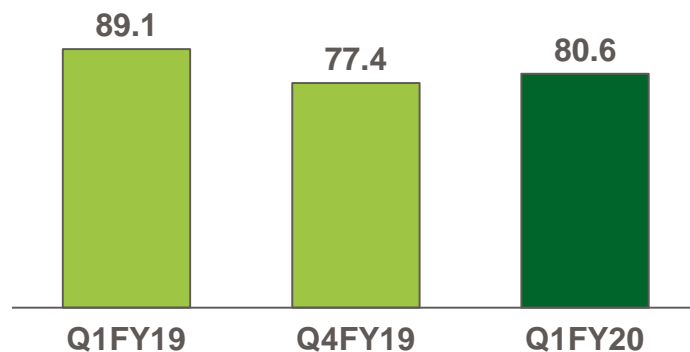


## Key Highlights – Q1FY20

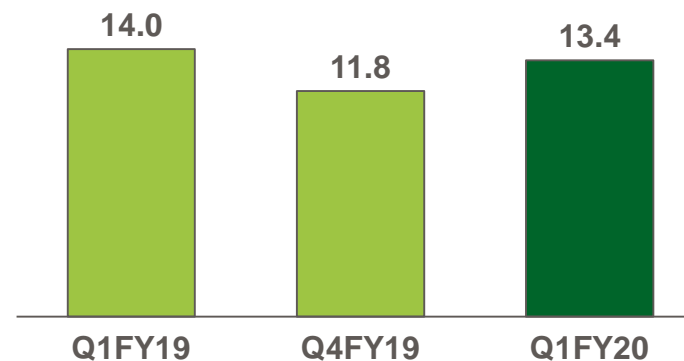


(Rs. Cr.)

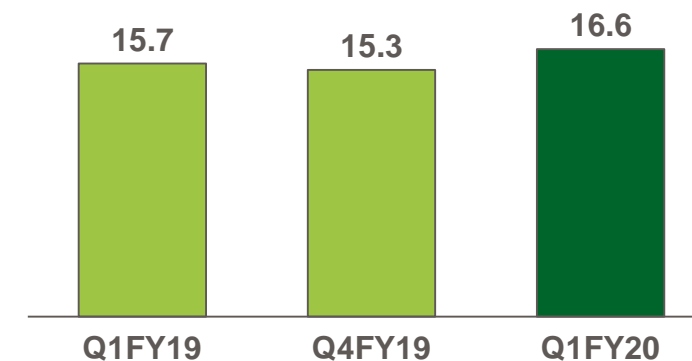
Revenue^



EBITDA

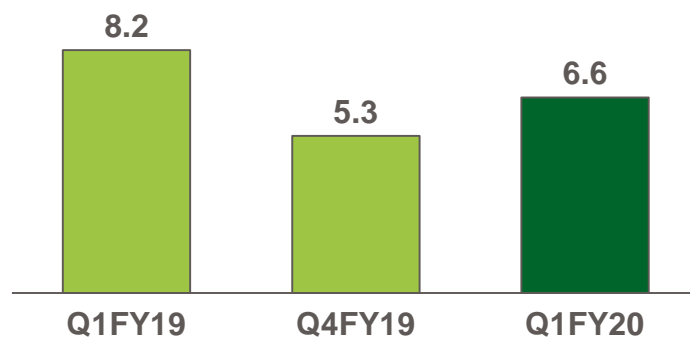


EBITDA Margin %

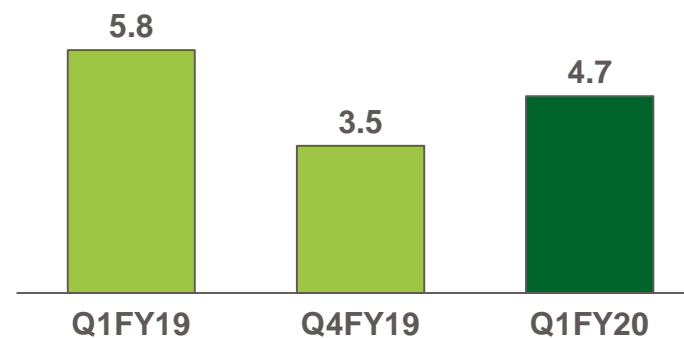


(Rs. Cr.)

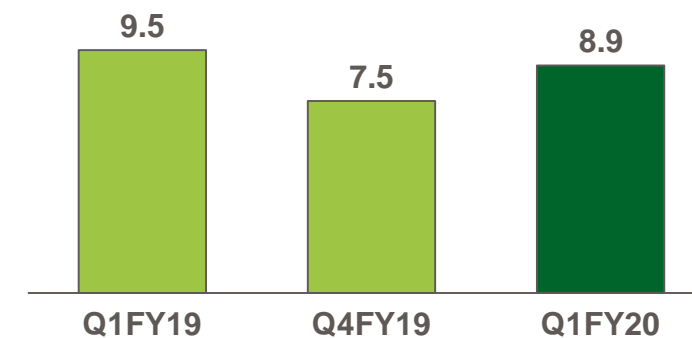
PBT



PAT



Cash PAT #

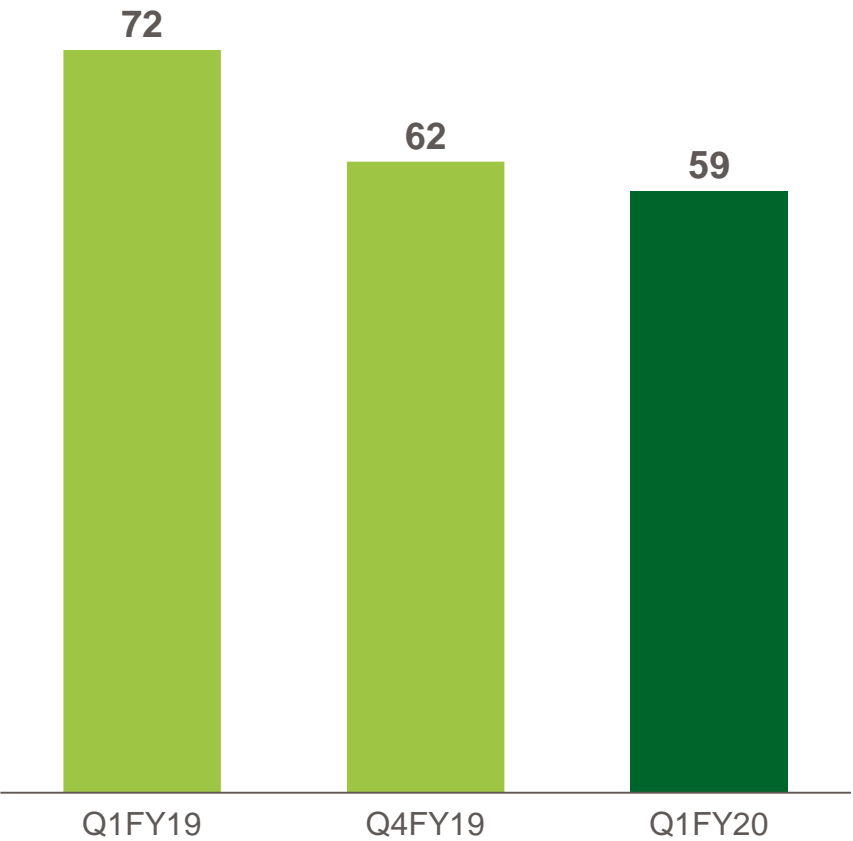


# Cash PAT includes PAT & Depreciation

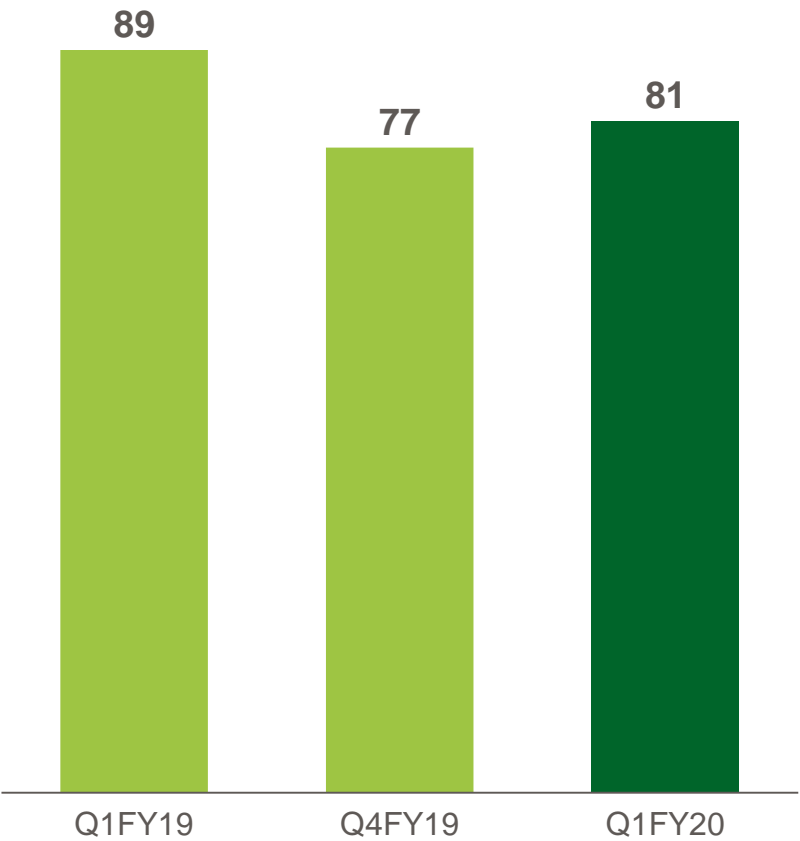
# Machine Utilization – Across Plants



Machine Utilization (%)



Revenue (Rs. In Crs)

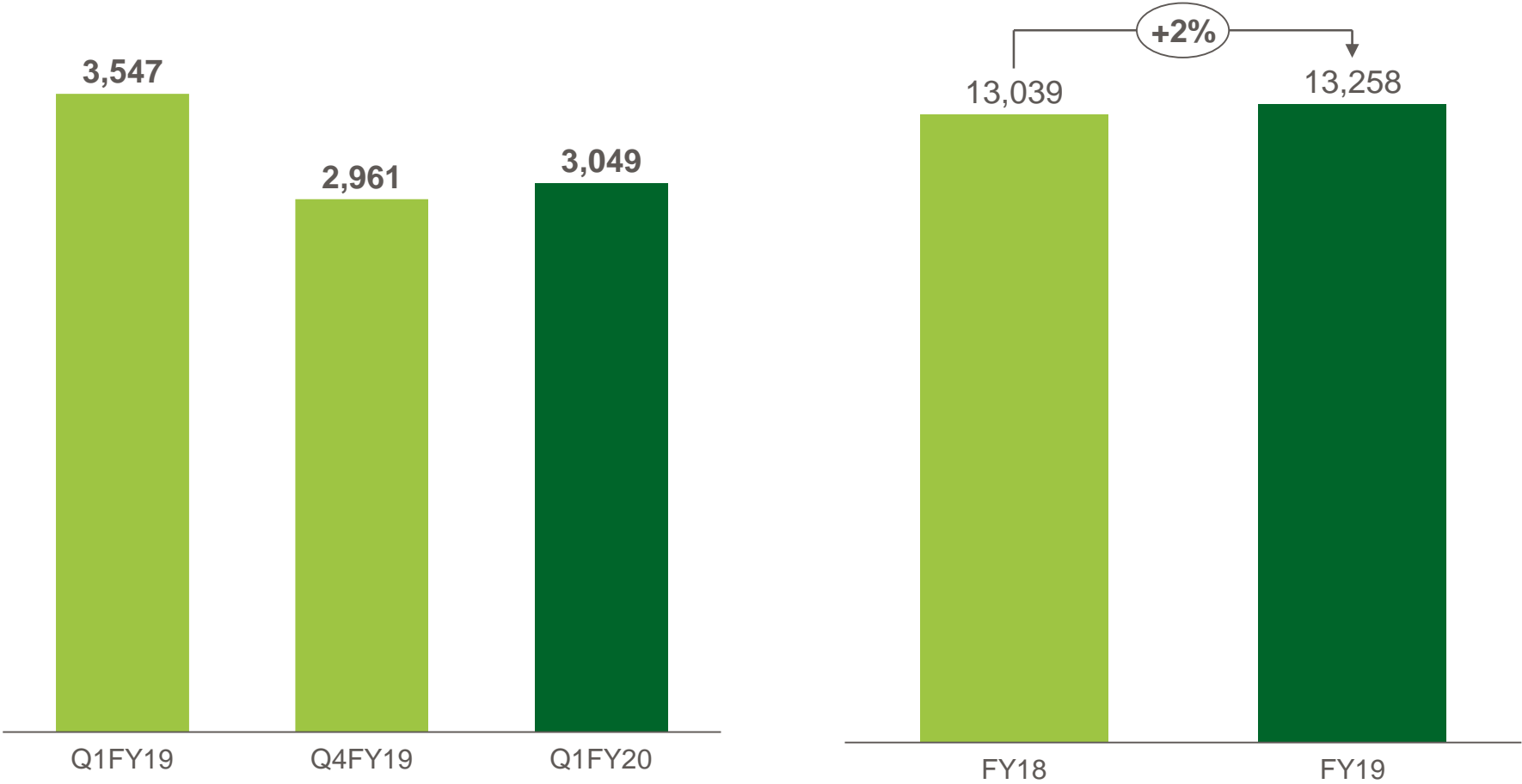


...Focusing on  
higher value add  
products

# Volume of Polymers Processed

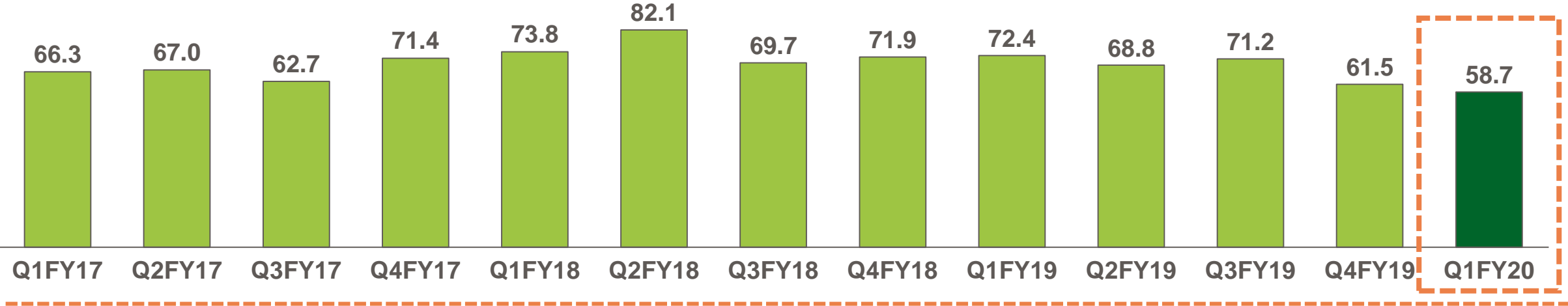


Volume in Tons

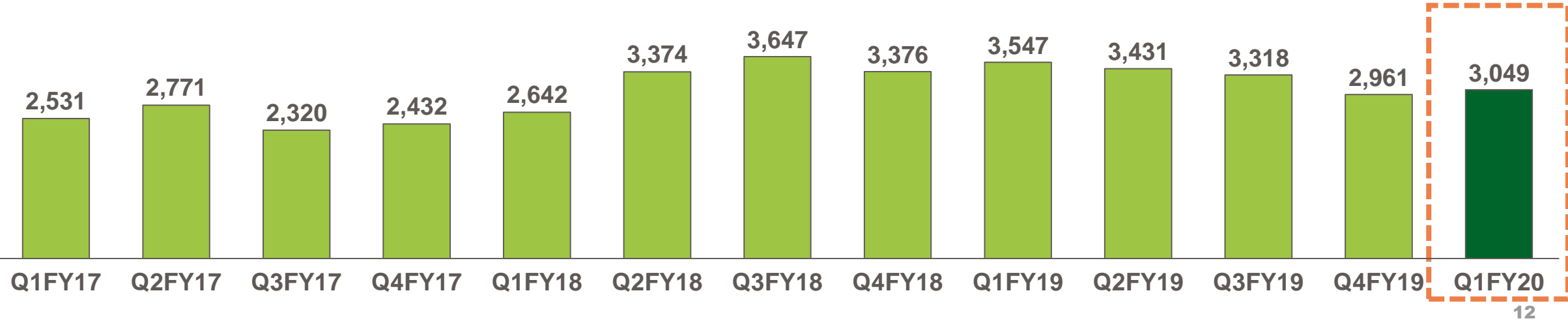


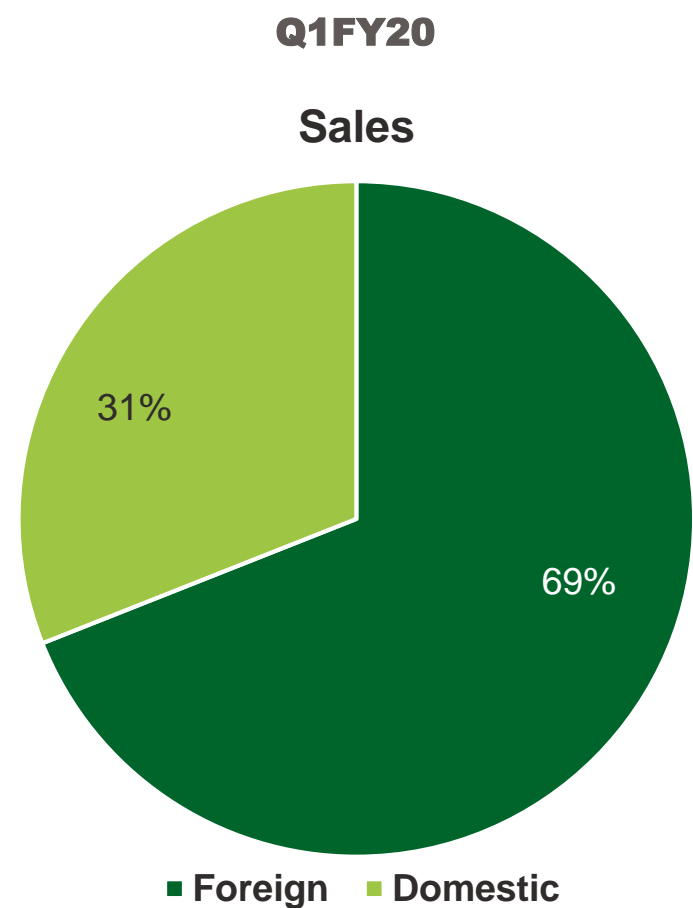
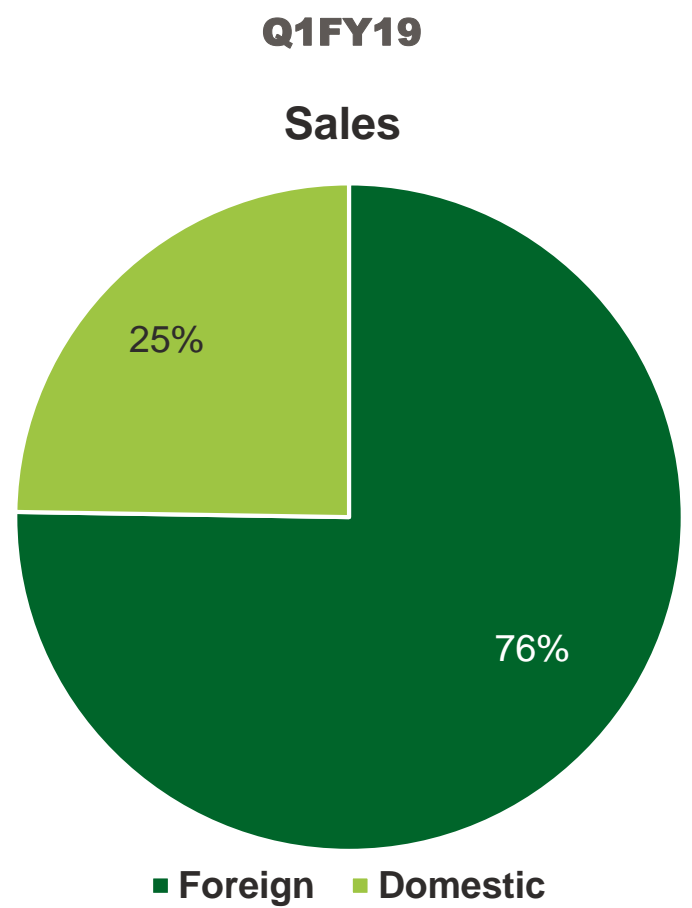
...Increase in basket of product offering and quantity

Machine Utilization (%)



Volumes of Polymers Processed (MT)





# Income Statement



Particulars in Rs. Crs	Q1FY20	Q1FY19	YoY %	Q4FY19	QoQ %	FY19
<b>Revenue</b>	<b>80.6</b>	<b>89.1</b>	<b>-9.5%</b>	<b>77.4</b>	<b>4.2%</b>	<b>338.3</b>
Raw Material	48.6	55.9		47.3		209.7
Employee Expenses	6.1	6.8		5.9		24.7
Other Expenses*	12.6	12.8		12.8		51.4
Other Income	0.1	0.4		0.4		1.8
<b>EBITDA</b>	<b>13.4</b>	<b>14.0</b>	<b>-4.0%</b>	<b>11.8</b>	<b>13.3%</b>	<b>54.4</b>
<i>EBITDA Margin</i>	<i>16.6%</i>	<i>15.7%</i>		<i>15.3%</i>		<i>16.1%</i>
Depreciation	4.2	3.7		4.0		14.9
Finance Cost	2.7	2.1		2.6		9.5
<b>PBT</b>	<b>6.6</b>	<b>8.2</b>	<b>-20.2%</b>	<b>5.3</b>	<b>23.2%</b>	<b>30.0</b>
<i>PBT Margin</i>	<i>8.1%</i>	<i>9.2%</i>		<i>6.9%</i>		<i>8.9%</i>
Tax	1.8	2.4		1.8		10.7
<b>PAT</b>	<b>4.7</b>	<b>5.8</b>	<b>-18.2%</b>	<b>3.5</b>	<b>34.5%</b>	<b>19.3</b>
<i>PAT Margin</i>	<i>5.9%</i>	<i>6.5%</i>		<i>4.5%</i>		<i>5.7%</i>
<b>Cash PAT^</b>	<b>8.9</b>	<b>9.5</b>	<b>-5.7%</b>	<b>7.5</b>	<b>19.5%</b>	<b>34.2</b>
<i>Cash PAT Margin</i>	<i>11.1%</i>	<i>10.6%</i>		<i>9.7%</i>		<i>10.1%</i>

^ Cash PAT = PAT + Depreciation

\* Other Expenses include Power & Fuel costs



# Balance Sheet

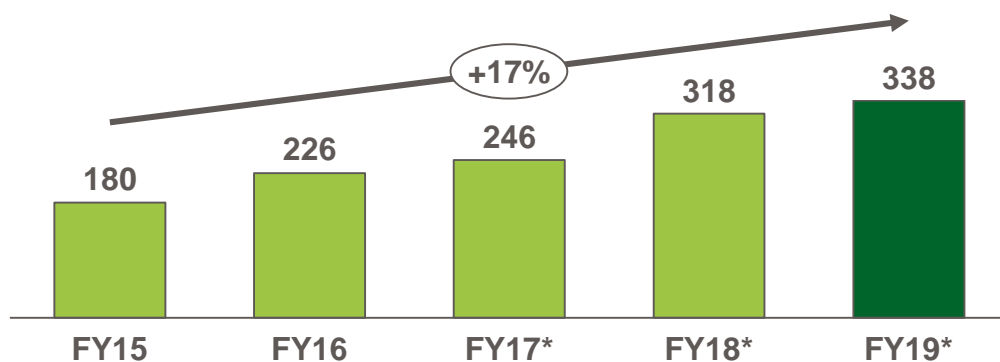
Particulars in Rs. Crs	Mar 19	Mar 18
<b>Assets</b>		
<b>Non-current Assets</b>	<b>175.3</b>	<b>125.9</b>
<b>Fixed Assets</b>		
Property Plant & Equipment	144.0	106.4
Capital WIP	2.7	5.8
Intangible Assets	3.3	1.2
<b>Financial Assets</b>		
Investments	0.2	0.2
Loans & Advances	5.9	8.0
Other Non-current Assets	17.4	4.4
Income Tax assets (net)	1.9	0.0
<b>Current Assets</b>	<b>138.5</b>	<b>158.9</b>
Inventories	43.1	40.7
<b>Financial Assets</b>		
Trade Receivables	59.6	68.2
Cash & cash equivalents	0.5	0.4
Other Bank Balances	0.0	3.3
Loans & Advances	16.6	9.7
Other Current Assets	16.4	36.6
<b>Total Assets</b>	<b>311.5</b>	<b>284.8</b>

Particulars in Rs. Crs	Mar 19	Mar 18
<b>Equity &amp; Liabilities</b>		
<b>Equity</b>	<b>136.1</b>	<b>124.3</b>
Share Capital	8.3	8.3
Other Equity	127.8	115.9
<b>Non-Current Liabilities</b>	<b>57.2</b>	<b>27.0</b>
<b>Financial Liabilities – Borrowings</b>	<b>47.2</b>	<b>21.0</b>
Provisions	1.2	1.0
Deferred Tax Liabilities (Net)	8.0	4.2
Other Non-Current Liabilities	0.8	0.8
<b>Current Liabilities</b>	<b>120.4</b>	<b>133.5</b>
<b>Financial Liabilities</b>		
Borrowings	51.1	63.9
Trade Payables	32.5	39.0
Other Financial Liabilities	26.1	26.5
Other Current Liabilities	8.0	1.6
Provisions	0.6	0.5
Current Tax Liabilities (Net)	0.0	1.9
<b>Total Equity &amp; Liabilities</b>	<b>311.5</b>	<b>284.8</b>

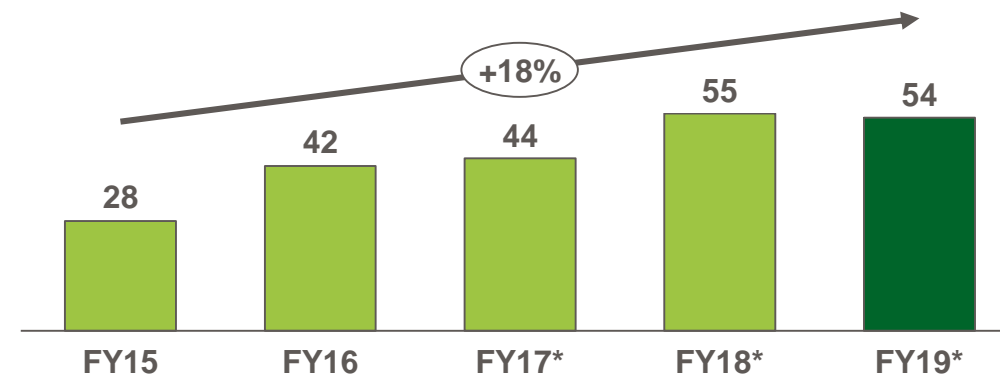
# Delivering PROFITABLE GROWTH



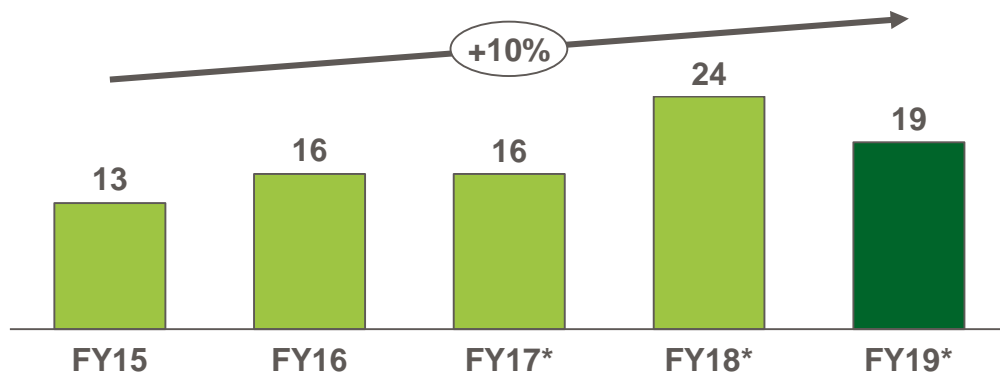
Revenue (Rs. In Crs)



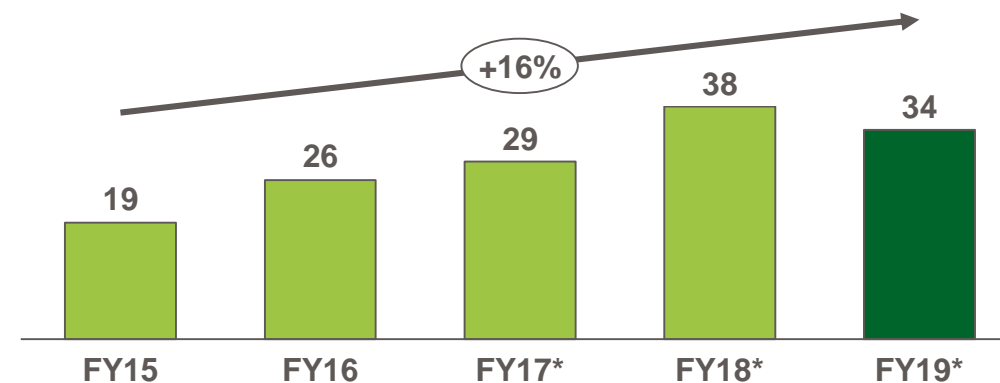
EBITDA (Rs. In Crs)



PAT (Rs. In Crs)



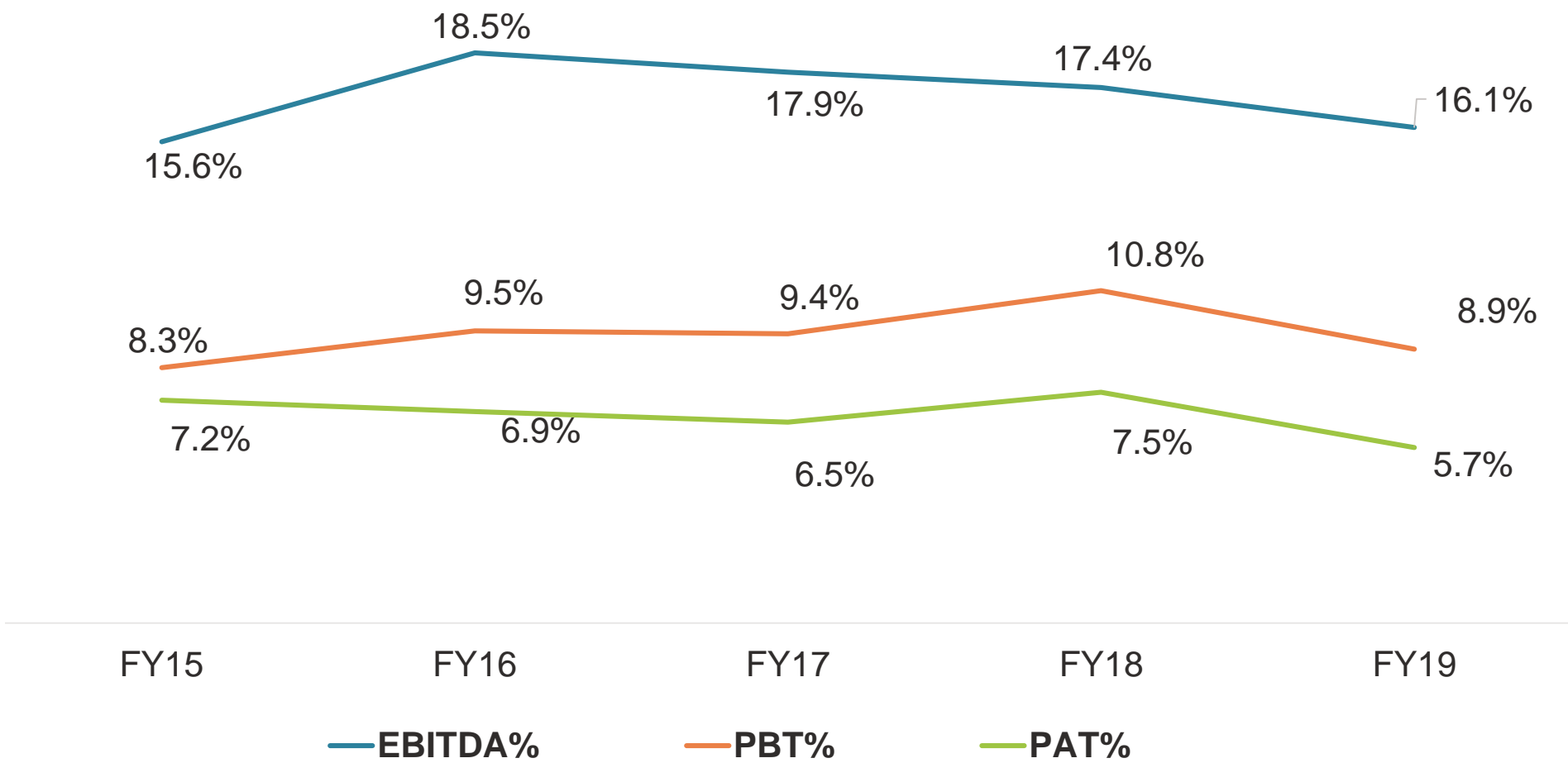
Cash PAT (Rs. In Crs)



\* As per IndAS

Note: Financials are excluding Excise Duty

# MARGIN Profile



# Historical Income Statement as per I-GAAP

Particulars in Rs. Crs.	FY17	FY16	FY15	FY14	FY13
<b>Total Revenue#</b>	<b>252.6</b>	<b>231.2</b>	<b>185.4</b>	<b>155.1</b>	<b>125.7</b>
Raw Material	151.1	137.3	113.4	86.6	69.0
Employee Expenses	26.6	23.4	19.5	16.0	13.1
Excise Duty	6.2	5.6	5.7	4.3	2.9
Other Expenses	27.5	25.9	20.3	24.0	23.7
Other Income	3.4	2.8	1.6	0.5	0.6
<b>EBITDA</b>	<b>44.4</b>	<b>41.8</b>	<b>28.0</b>	<b>24.6</b>	<b>17.6</b>
<i>EBITDA Margin</i>	17.6%	18.1%	15.1%	15.9%	14.0%
Depreciation	13.3	10.3	6.4	6.0	5.6
Finance Cost	7.9	10.1	6.7	8.4	6.9
<b>PBT</b>	<b>23.2</b>	<b>21.4</b>	<b>14.9</b>	<b>10.2</b>	<b>5.1</b>
<i>PBT Margin</i>	9.2%	9.3%	8.3%	6.8%	4.1%
Tax	7.3	5.9	1.9	3.7	1.4
<b>PAT</b>	<b>15.9</b>	<b>15.5</b>	<b>13.0</b>	<b>6.6</b>	<b>3.6</b>
<i>PAT Margin</i>	6.3%	6.7%	7.2%	4.4%	2.9%
<b>*Cash PAT</b>	<b>29.2</b>	<b>25.7</b>	<b>19.4</b>	<b>12.6</b>	<b>9.2</b>
<i>Cash PAT Margin</i>	11.6%	11.1%	10.8%	8.3%	7.5%

\*Cash PAT includes PAT & Depreciation

# Total Revenue includes Excise duty

# Historical Balance Sheet as per I-GAAP

Rs. Crs.	FY17	FY16	FY15	FY14	FY13
<b>Shareholder's Fund</b>	<b>105.6</b>	<b>89.8</b>	<b>78.3</b>	<b>42.6</b>	<b>36.0</b>
Share capital	8.3	8.3	8.3	7.3	7.3
Reserves & Surplus	97.3	81.4	70.0	35.2	28.7
<b>Non-current liabilities</b>	<b>24.6</b>	<b>39.1</b>	<b>40.6</b>	<b>43</b>	<b>19.8</b>
Long term borrowings	16.4	30.9	32.7	38.2	15.1
Deferred Tax Liabilities (net)	6.3	6.3	5.0	3.2	3.1
Other non-current liabilities	0.9	1.2	2.0	1.9	1.6
Long-term provisions	0.9	0.8	0.8	-	-
<b>Current liabilities</b>	<b>75.6</b>	<b>62.2</b>	<b>73.6</b>	<b>57.8</b>	<b>51.5</b>
Short term borrowings	37.1	20.1	36.9	21.5	22.8
Trade Payables	19.9	18.7	15.1	27.1	18.0
Other current liabilities	15.6	19.1	19.5	9.2	10.7
Short-term provisions	3.0	4.3	2.1	-	-
<b>Total Liabilities</b>	<b>205.8</b>	<b>191.1</b>	<b>192.5</b>	<b>143.6</b>	<b>107.2</b>

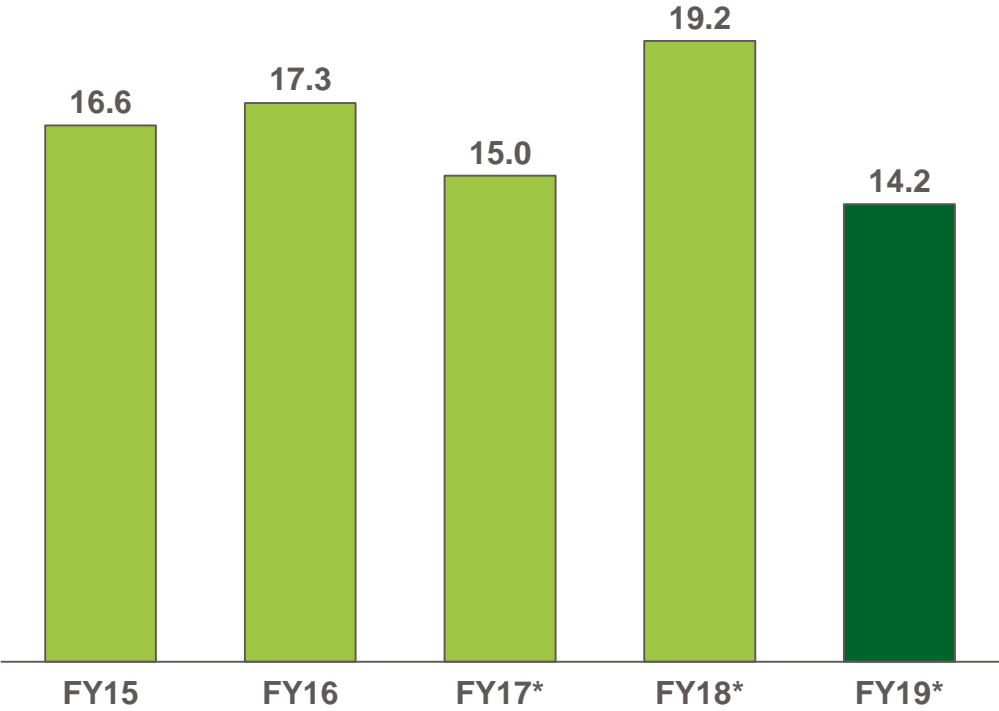
Rs. Crs.	FY17	FY16	FY15	FY14	FY13
<b>Non-current assets</b>	<b>107.3</b>	<b>102.5</b>	<b>87.0</b>	<b>58.0</b>	<b>50</b>
Fixed assets	97.7	97.7	77.6	49.8	45.2
Long-term loans and advances	9.4	4.6	9.1	8.2	4.8
Non-current investments	0.2	0.2	0.3	-	-
<b>Current assets</b>	<b>98.5</b>	<b>88.6</b>	<b>105.5</b>	<b>85.6</b>	<b>57.2</b>
Current Investments	-	-	25.4	-	-
Inventories	27.5	22.5	20.1	15.2	12.5
Trade receivables	46.4	36.1	37.2	32.6	26.2
Cash and bank balances	3.7	13.2	5.9	24.5	6.6
Short-term loans and advances	20.8	16.7	16.9	13.2	11.8
Other current assets	-	0.1	-	-	0.2
<b>Total Assets</b>	<b>205.8</b>	<b>191.1</b>	<b>192.5</b>	<b>143.6</b>	<b>107.1</b>

Note: Financials are excluding Excise Duty

ROCE (%)



ROE (%)



\* As per IndAS



## Acquisition of Land & Arranging of Long Term Debt Financing

### Acquisition of Land

- Purchased land admeasuring **17 acres** at **Halol** for future expansion requirements
- Land Transferred process complete
- Construction of Plant at Halol commenced

### Long Term Debt Financing

- Arranged for Rs. 100 Crores of Debt finance at attractive terms



# Strengthened Board of Directors



**Mr. Mahendra Sanghvi**  
Executive Chairman

**Mr. Amit Sanghvi**  
Managing Director

**Mr. Laxman Sanghvi**  
Executive Director

**Mr. Sarup Chowdhary**  
Independent Director

**Mr. Milin Mehta**  
Independent Director

**Mr. Ranjit Singh**  
Independent Director  
(Newly Appointed)

**Mr. Jiten Mathuria**  
Independent Director  
(Newly Appointed)

**Ms. Tilottama Sanghvi**  
Non-Executive Director

## New Appointments & Resignation

- **Mr. Ranjit Singh appointed as Independent Director**

Has over 30 years of experience. He was the Former MD of Kalpataru Power Transmission, Global COO & Board member of Polyplex Corporation Ltd. (4th Largest Polyester Film manufacturer in World), Member, Board of Governors, IIM Jammu, Founder – Aspirelabs Accelerator, Reimagine Plastic, Director & Mentor – Legistify

- **Mr. Jiten Mathuria appointed as Independent Director**

Mr. Mathuria is a prominent name in the Plastics Industry. He is also the Promoter & Director of J P Polymers Pvt. Ltd., one of the largest distributor of Engineering & Specialist polymers in India

- **Mr. P R Singhvi Resigned** as an Independent Director w.e.f. 01/04/2019

- **Ms. Tilottama Sanghvi Retired** as Whole Time Director and has been appointed as Non-Executive Director w.e.f. 01/04/2019



### Company



### Investor Relations Advisors



---

#### Company :

---

#### Investor Relations Advisors :

**Shaily Engineering Plastics Ltd.**  
CIN – L51900GJ1980PLC065554

Mr. Sanjay Shah, Chief Strategy Officer  
[sanjay@shaily.com](mailto:sanjay@shaily.com)

[www.shaily.com](http://www.shaily.com)

**Strategic Growth Advisors Pvt. Ltd.**  
CIN - U74140MH2010PTC204285

Mr. Shogun Jain/Mr. Pratik R. Shah  
[shogun.jain@sgapl.net](mailto:shogun.jain@sgapl.net) / [pratik.shah@sgapl.net](mailto:pratik.shah@sgapl.net)  
+91 77383 77756 / +91 97692 60769

[www.sgapl.net](http://www.sgapl.net)



**Thank you**