

**Shaily Engineering Plastics Ltd**

# **Q3 & 9MFY20 Investor Presentation**

**February 2020**





# Overview

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## Shaily at a Glance



**5  
Facilities in  
Gujarat**

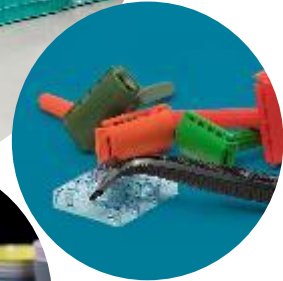
**REVENUE  
5 Years CAGR  
17% ↑**

**100+ Injection  
Moulding  
Machines**

**EBITDA  
5 Years CAGR  
18% ↑**

**1,100+  
Employees**

**PAT  
5 Years  
CAGR  
10% ↑**

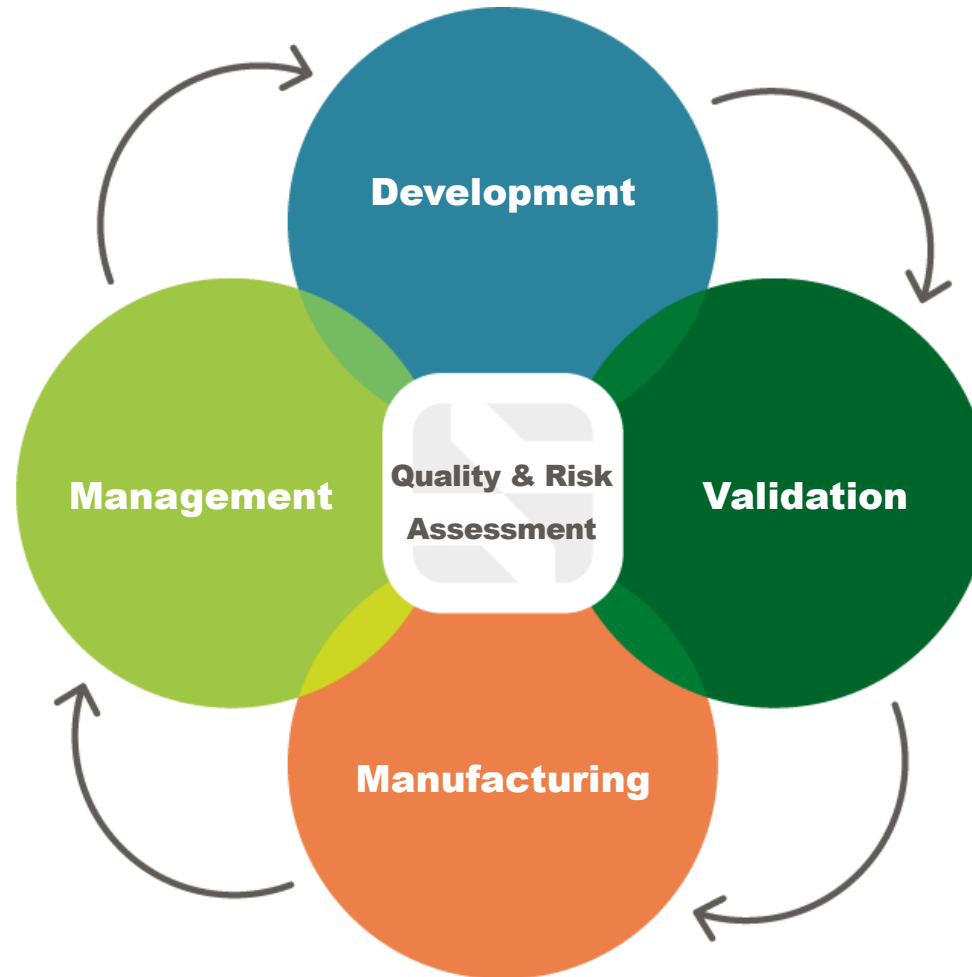


## Management

- 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



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

#### Acquisition of Land

- Purchased land admeasuring 17 acres at Halol for future expansion requirements in 2018
- Plant to be commissioned in Q4FY20
- Supplies to commence in Q4FY20

#### Long Term Debt Financing

- Arranged for Rs. 100 Crores of Debt finance at attractive terms to fund the Halol Capex





**Our  
Performance**





### Medical Devices

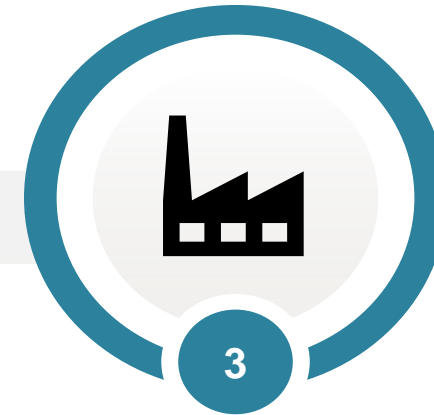
Submission of trial batches of 4 different pens done to customer in Q3



### Toys Segment

Initial shipments made to Spin Master

Ramp up expected in Q1 FY21



### Carbon Steel Project

Plant to be commissioned in Q4FY20

Supplies to commence in Q4FY20



## Operating Performance in 9M FY20

₹ **256** Crores  
Revenue

 **39.9%**  
Gross Margin

₹ **44** Crores  
EBITDA

 **17.2%**  
EBITDA Margin

 **17** Crores  
PAT

 **0.7x**  
NET Debt: Equity

# Key Financial Highlights – Q3FY20

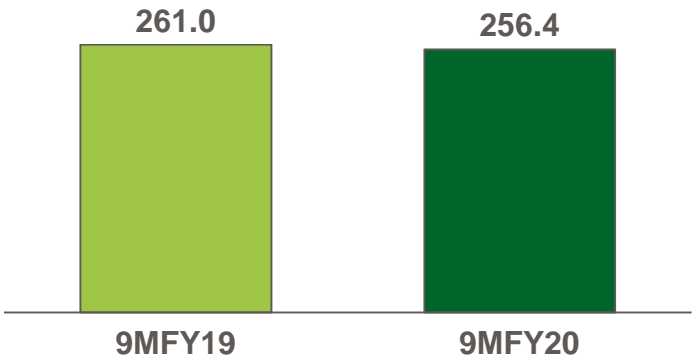


# Key Financial Highlights – 9MFY20

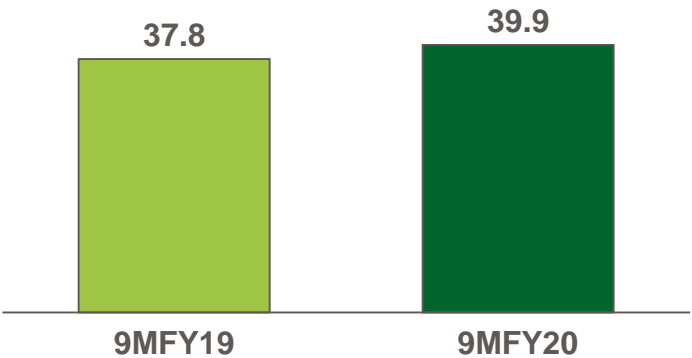


(Rs. Cr.)

Revenue

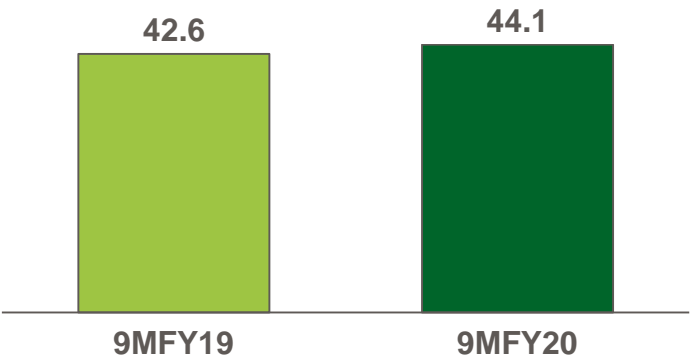


Gross Margin %

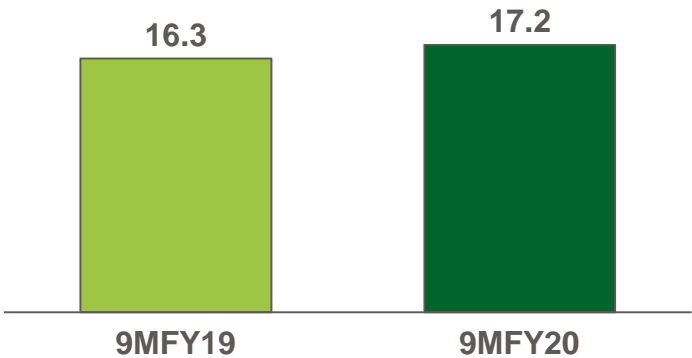


(Rs. Cr.)

EBITDA

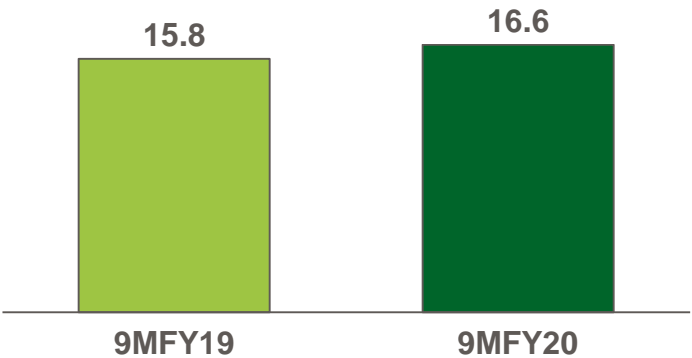


EBITDA Margin %



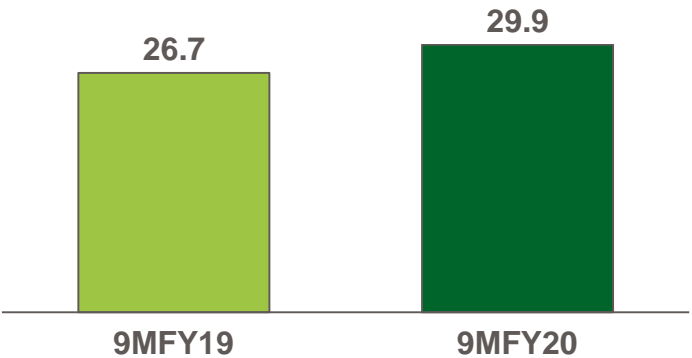
(Rs. Cr.)

PAT



(Rs. Cr.)

Cash PAT #

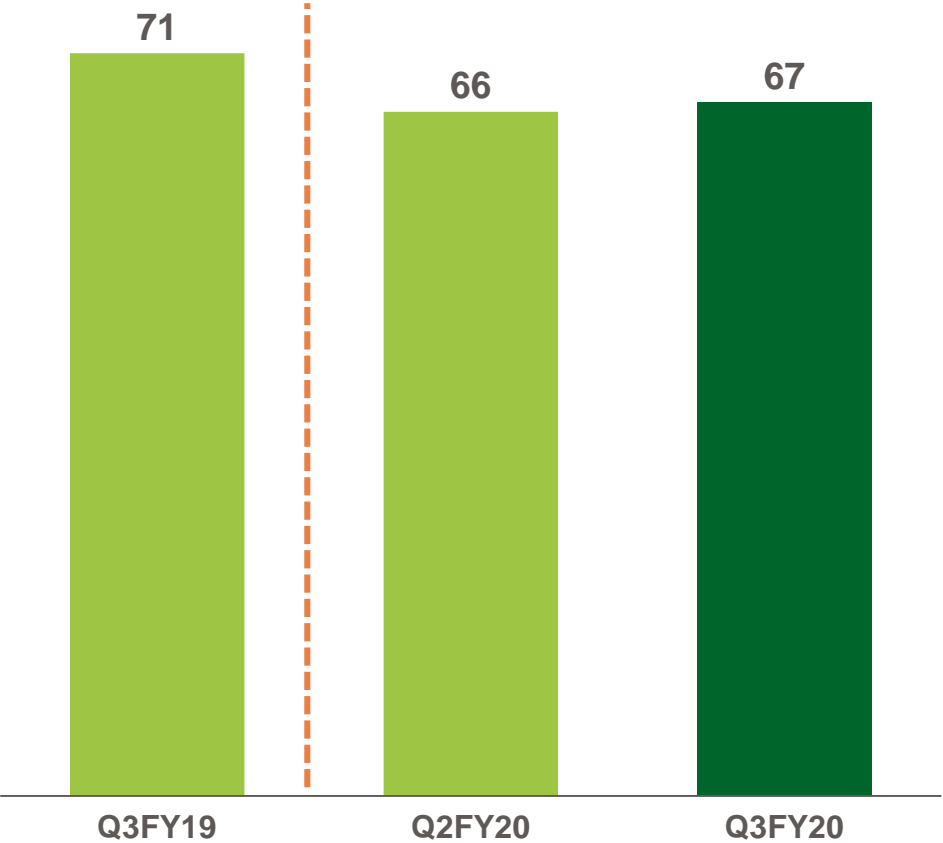


# Cash PAT includes PAT & Depreciation

# Machine Utilization – Across Plants



Machine Utilization (%)

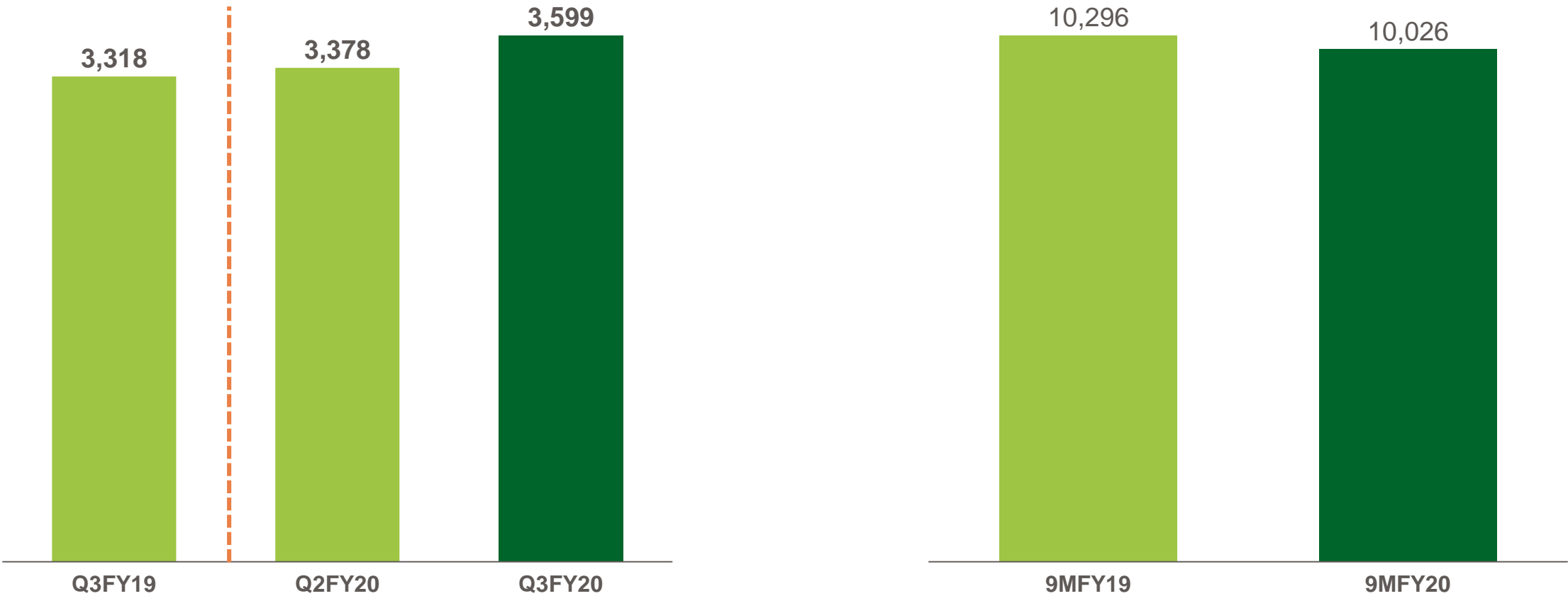


Revenue (Rs. In Crs)



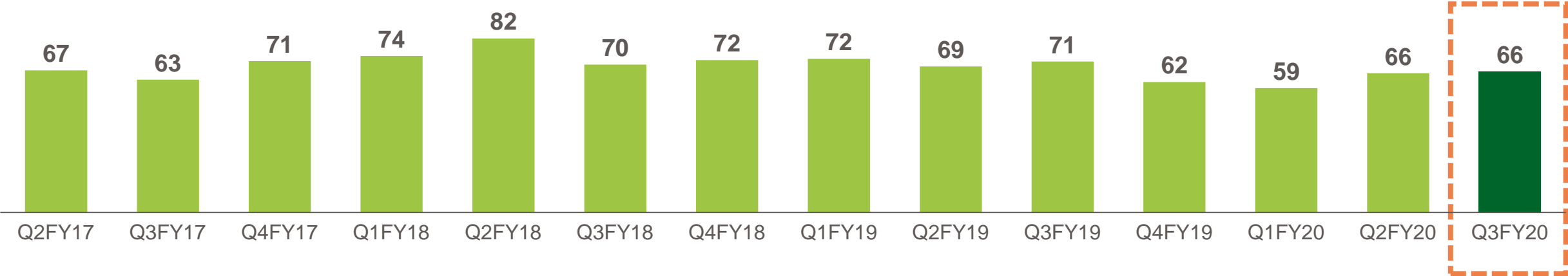
Figures are rounded off

# Volume of Polymers Processed

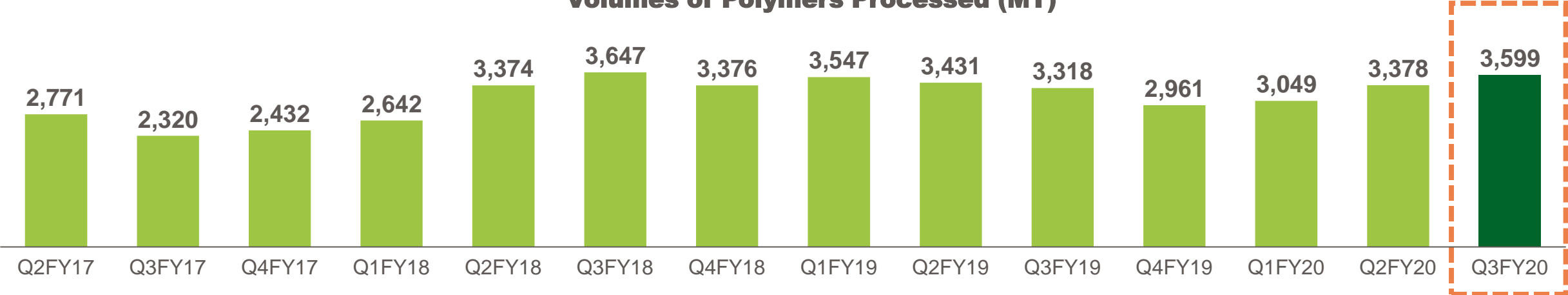


Volume in Tons

Machine Utilization (%)

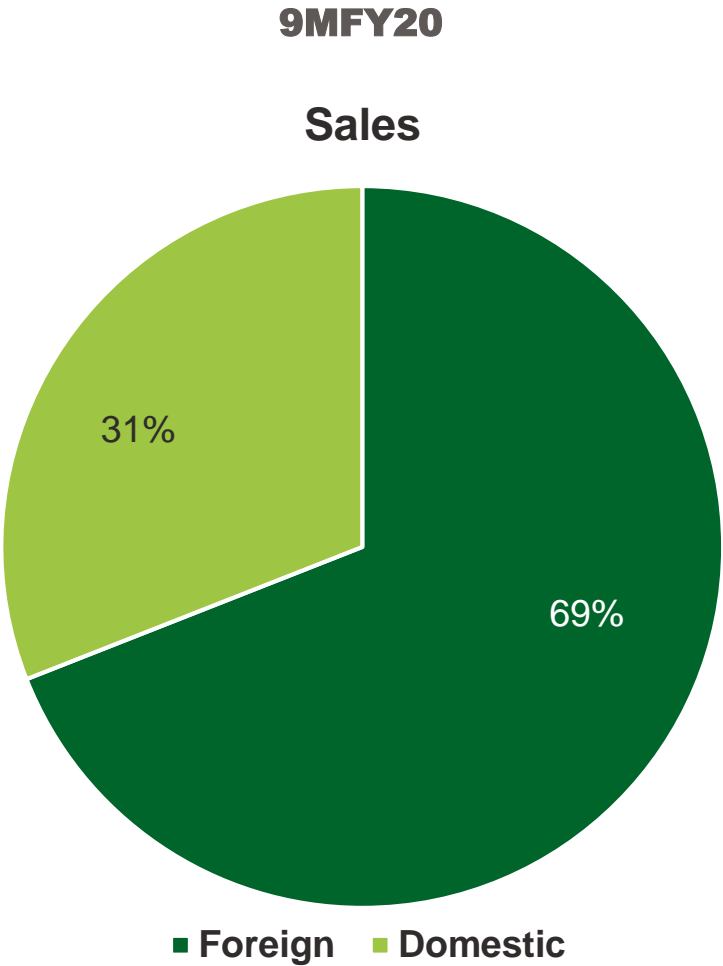
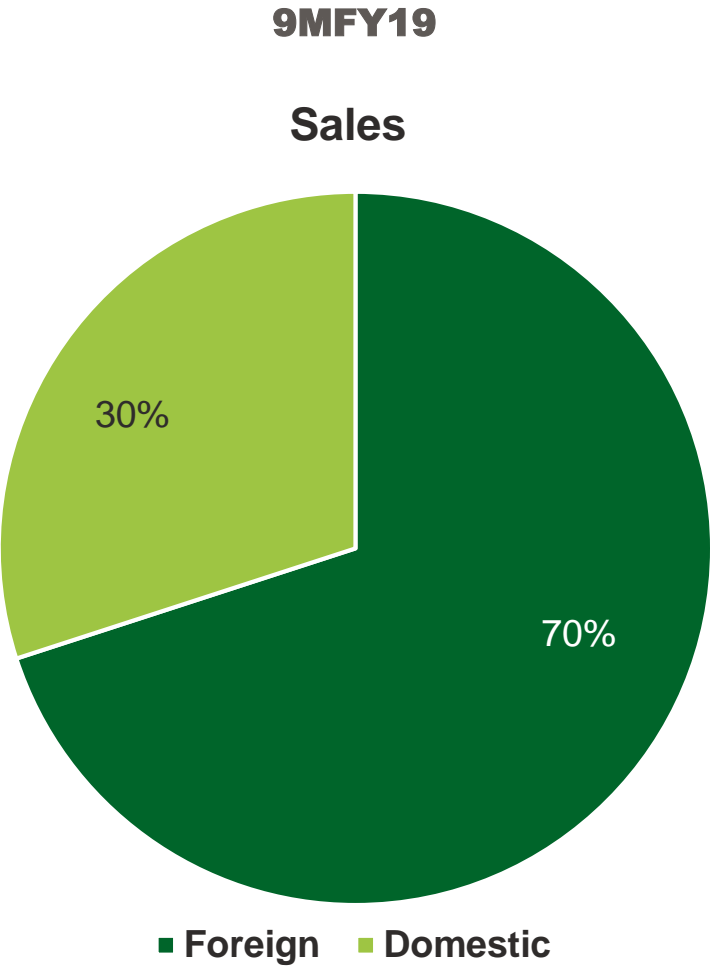


Volumes of Polymers Processed (MT)





# Revenue Analysis - Domestic Vs. Exports



Figures are rounded off

# Income Statement



Particulars (Rs. Cr.)	Q3FY20	Q3FY19	YoY %	Q2FY20	QoQ %	9MFY20	9MFY19	YoY %
<b>Revenue</b>	<b>88.3</b>	<b>85.6</b>	<b>3.2%</b>	<b>87.6</b>	<b>0.8%</b>	<b>256.4</b>	<b>261.0</b>	<b>-1.7%</b>
Raw Material	52.3	52.5		53.1		154.0	162.4	
Employee Expenses	6.5	6.2		6.4		19.0	18.8	
Other Expenses*	14.3	14.0		13.7		40.5	38.5	
Other Income	0.3	0.2		0.8		1.2	1.3	
<b>EBITDA</b>	<b>15.5</b>	<b>13.1</b>	<b>18.2%</b>	<b>15.2</b>	<b>2.2%</b>	<b>44.1</b>	<b>42.6</b>	<b>3.6%</b>
<b>EBITDA Margin</b>	<b>17.6%</b>	<b>15.3%</b>		<b>17.3%</b>		<b>17.2%</b>	<b>16.3%</b>	
Depreciation	4.5	3.8		4.5		13.2	11.0	
Finance Cost	2.3	3.0		2.7		7.7	7.0	
<b>PBT</b>	<b>8.7</b>	<b>6.4</b>	<b>36.1%</b>	<b>7.9</b>	<b>9.3%</b>	<b>23.2</b>	<b>24.7</b>	<b>-6.1%</b>
<b>PBT Margin</b>	<b>9.8%</b>	<b>7.4%</b>		<b>9.1%</b>		<b>9.0%</b>	<b>9.4%</b>	
Tax	2.4	2.09		2.29		6.5	8.9	
<b>PAT</b>	<b>6.3</b>	<b>4.3</b>	<b>46.7%</b>	<b>5.6</b>	<b>11.3%</b>	<b>16.6</b>	<b>15.8</b>	<b>5.6%</b>
<b>PAT Margin</b>	<b>7.1%</b>	<b>5.0%</b>		<b>6.4%</b>		<b>6.5%</b>	<b>6.0%</b>	
<b>Cash PAT^</b>	<b>10.8</b>	<b>8.1</b>	<b>33.9%</b>	<b>10.2</b>	<b>6.2%</b>	<b>29.9</b>	<b>26.7</b>	<b>11.8%</b>
<b>Cash PAT Margin</b>	<b>12.2%</b>	<b>9.4%</b>		<b>11.6%</b>		<b>11.6%</b>	<b>10.2%</b>	

^ Cash PAT = PAT + Depreciation

\* Other Expenses include Power & Fuel costs

The Company is in the process of evaluating the impact of the ordinance announced by the government on 20/09/2019, vide the Taxation laws (Amendment) Ordinance 2019, by inserting a new Section 115BAB in the Income Tax Act, 1961

# Balance Sheet

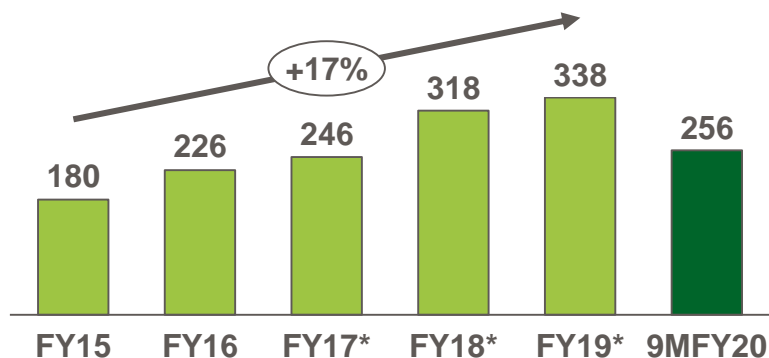
Particulars in (Rs. Cr.)	Sep 19	Mar 19
<b>Assets</b>		
<b>Non-current Assets</b>	<b>185.4</b>	<b>175.3</b>
<b>Fixed Assets</b>		
Property Plant & Equipment	145.2	144.0
Capital WIP	8.0	2.7
Intangible Assets	5.4	3.3
<b>Financial Assets</b>		
Investments	0.2	0.2
Loans & Advances	2.3	5.9
Other Non-current Assets	21.7	17.4
Income Tax assets (net)	2.5	1.9
<b>Current Assets</b>	<b>134.2</b>	<b>136.3</b>
Inventories	39.7	43.1
<b>Financial Assets</b>		
Trade Receivables	53.2	59.6
Cash & cash equivalents	1.3	0.5
Other Bank Balances	0.0	0.0
Loans & Advances	15.3	16.6
Other Current Assets	24.7	16.4
<b>Total Assets</b>	<b>319.5</b>	<b>311.6</b>

Particulars (Rs. Cr.)	Sep 19	Mar 19
<b>Equity &amp; Liabilities</b>		
<b>Equity</b>	<b>146.3</b>	<b>136.1</b>
Share Capital	8.3	8.3
Other Equity	137.9	127.8
<b>Non-Current Liabilities</b>	<b>60.4</b>	<b>57.2</b>
<b>Financial Liabilities</b>		
Borrowings	50.4	47.2
Provisions	1.2	1.2
Deferred Tax Liabilities (Net)	8.0	8.0
Other Non-Current Liabilities	0.8	0.8
<b>Current Liabilities</b>	<b>112.8</b>	<b>118.2</b>
<b>Financial Liabilities</b>		
Borrowings	39.6	51.1
Trade Payables	39.6	32.5
Other Financial Liabilities	23.8	26.1
Other Current Liabilities	9.0	8.0
Provisions	0.9	0.6
<b>Total Equity &amp; Liabilities</b>	<b>319.5</b>	<b>311.6</b>

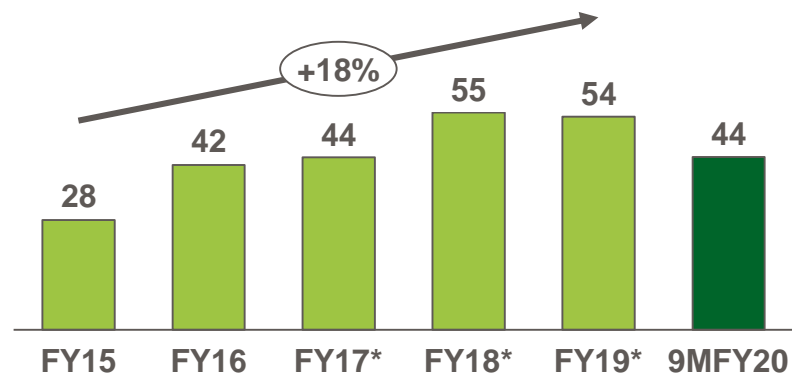
# Delivering PROFITABLE GROWTH



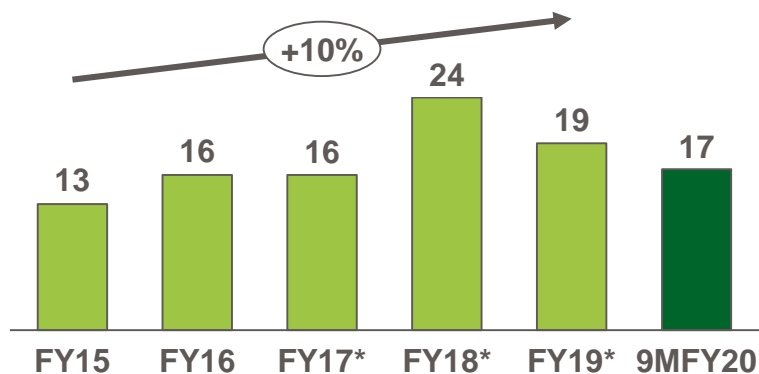
Revenue (Rs. In Crs)



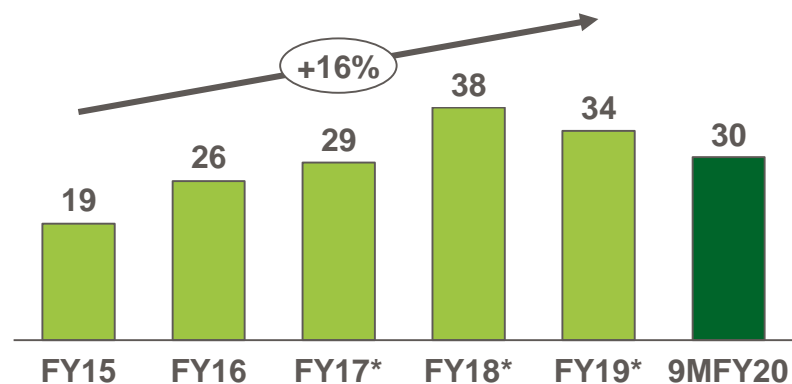
EBITDA (Rs. In Crs)



PAT (Rs. In Crs)

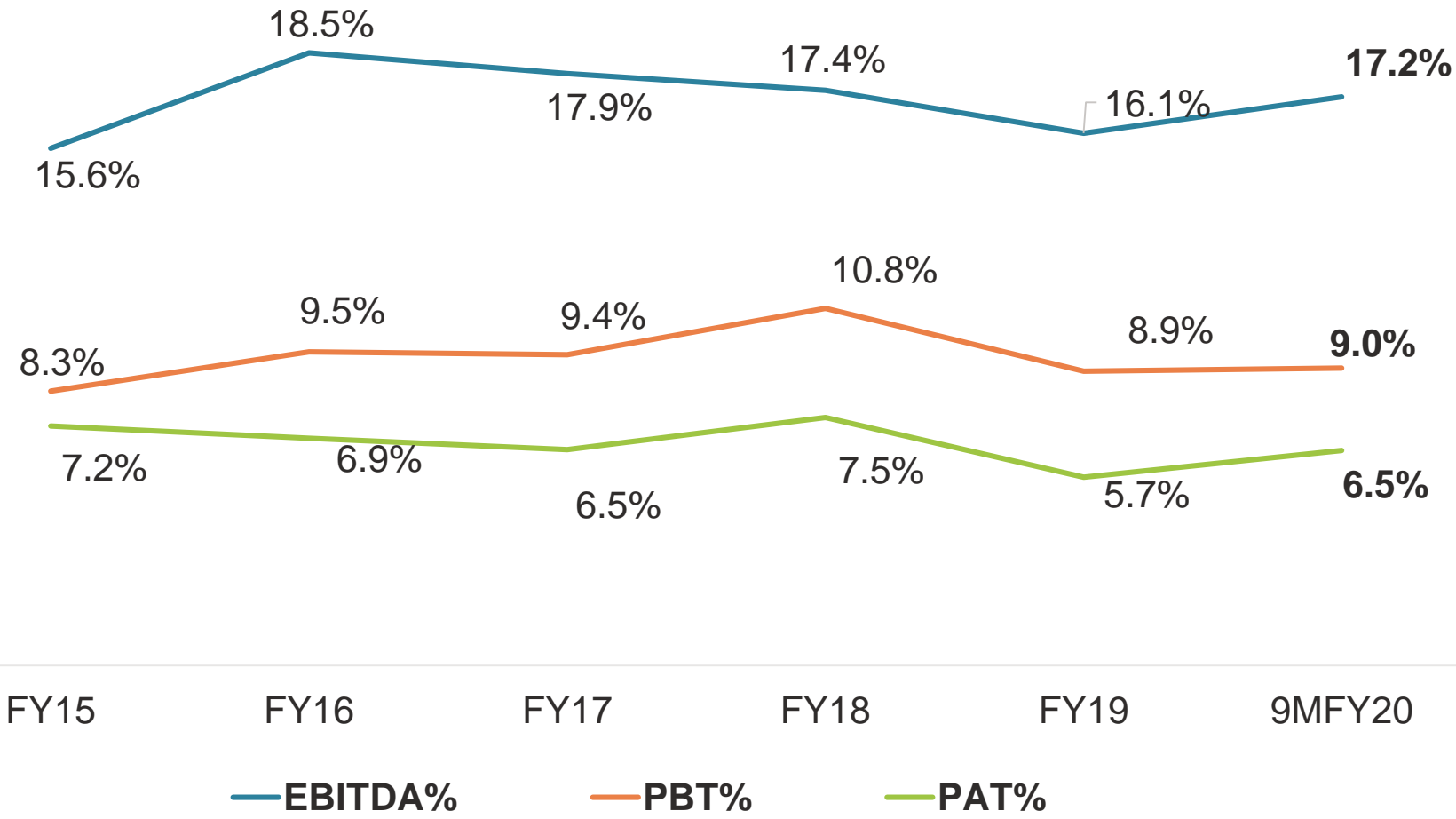


Cash PAT (Rs. In Crs)



- Revenue growth has been aided by growth in business across verticals; have added new SKUs in Home Furnishing segment
- Operating leverage benefits have played out resulting in faster than Revenue growth in EBITDA and PAT during FY15-18 period

# MARGIN Profile



- Better Product mix and economies of scale on account of raw materials have led to improvement in margin profile from FY15 to FY18
- FY19 margin was profile impacted on account of labor shortage, power disruptions and change in ordering policy from a key client
- Witnessing a gradual improvement in margin since FY19

Note: Financials are excluding Excise Duty

# 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

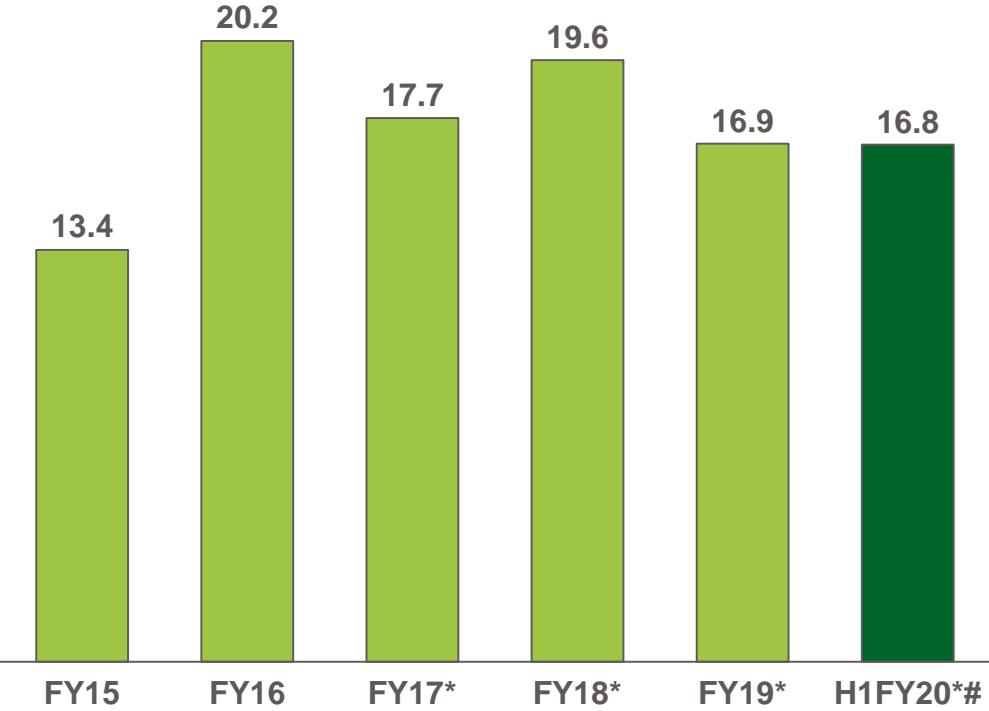


Rs. Crs.	FY17	FY16	FY15	FY14	FY13
<b>Shareholder's Fund</b>	<b>105.6</b>	<b>89.8</b>	<b>78.3</b>	<b>42.6</b>	<b>36.0</b>
Share capital	8.3	8.3	8.3	7.3	7.3
Reserves & Surplus	97.3	81.4	70.0	35.2	28.7
<b>Non-current liabilities</b>	<b>24.6</b>	<b>39.1</b>	<b>40.6</b>	<b>43</b>	<b>19.8</b>
Long term borrowings	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>

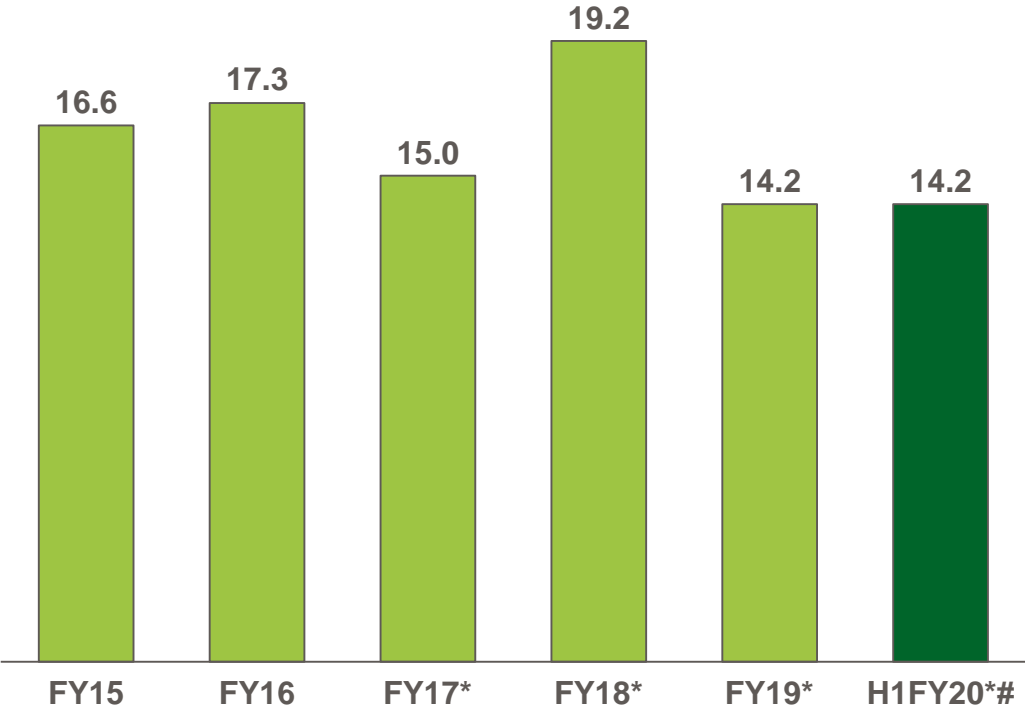
Rs. Crs.	FY17	FY16	FY15	FY14	FY13
<b>Non-current assets</b>	<b>107.3</b>	<b>102.5</b>	<b>87.0</b>	<b>58.0</b>	<b>50</b>
Fixed assets	97.7	97.7	77.6	49.8	45.2
Long-term loans and advances	9.4	4.6	9.1	8.2	4.8
Non-current investments	0.2	0.2	0.3	-	-
<b>Current assets</b>	<b>98.5</b>	<b>88.6</b>	<b>105.5</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 (%)



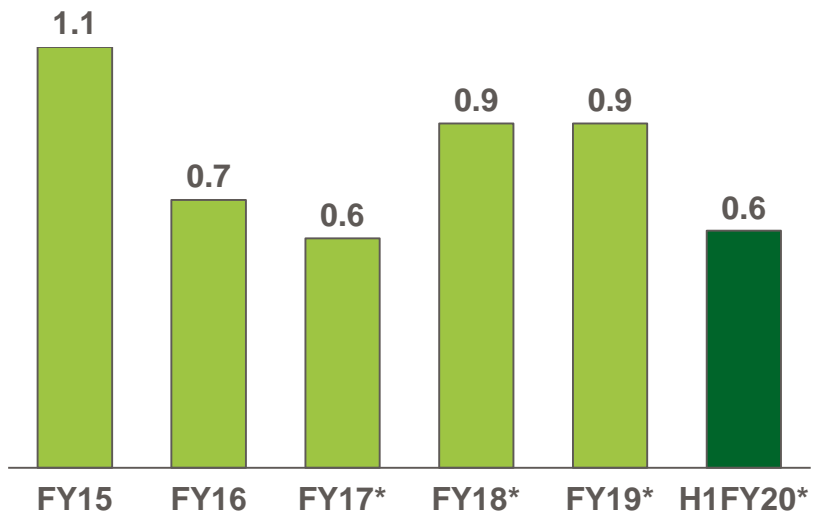
ROE (%)



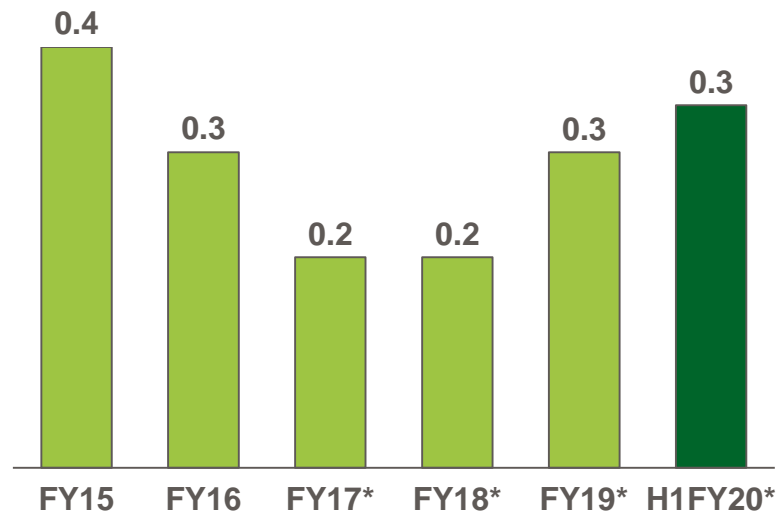
\*As per IndAS  
# On Annualised basis

# Growth Along With Low Leverage

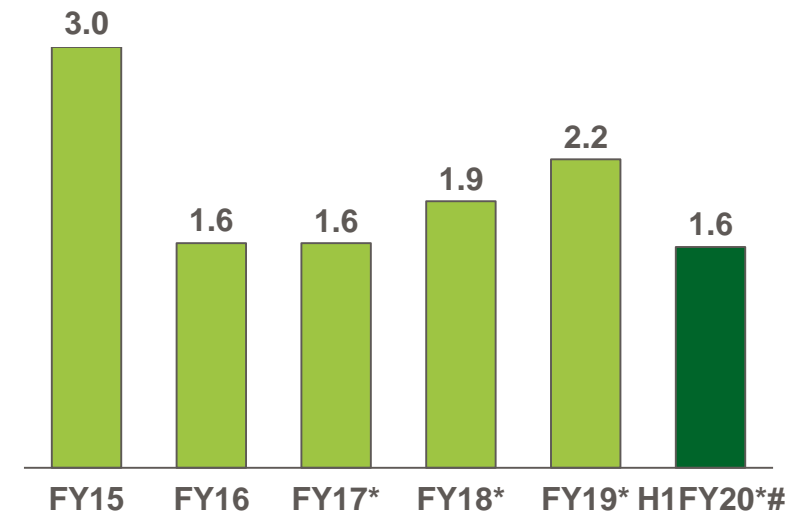
**Total Debt : Equity (x)**



**Long Term Debt : Equity (x)**



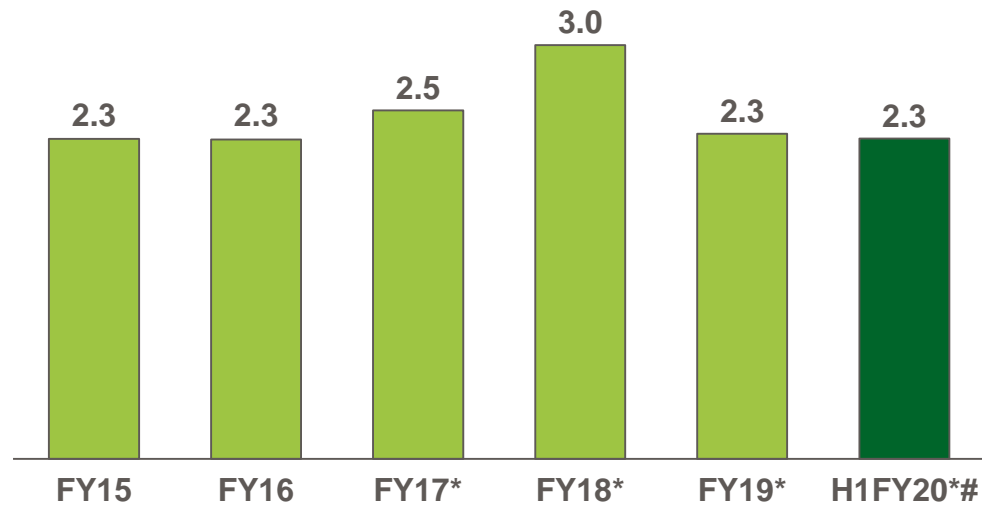
**Total Debt : EBITDA (x)**



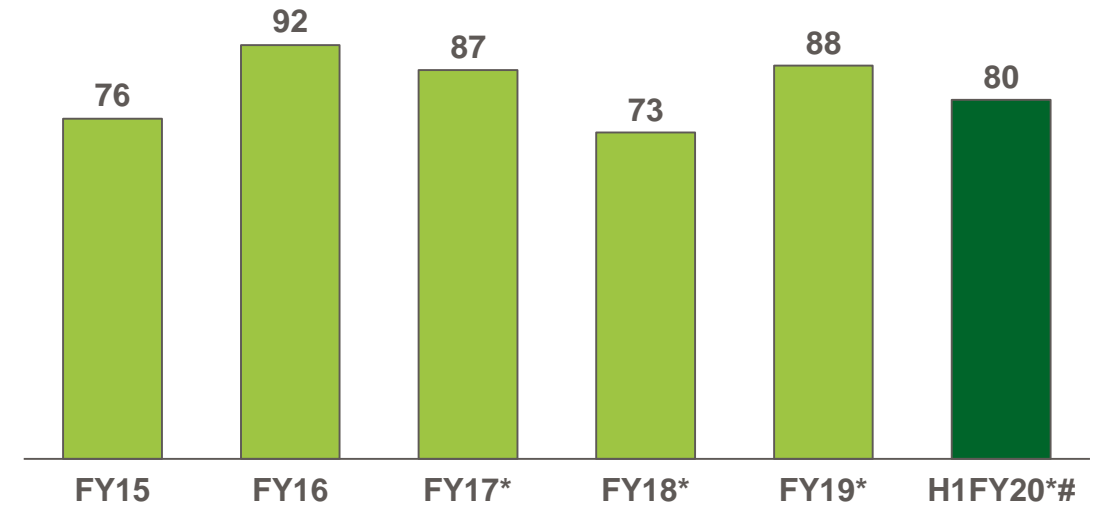
- The growth in Business has been achieved with disciplined use of capital
- The internal accruals also been utilized towards scheduled repayments of Long-term loans, which have positively impacted the credit rating therefore the borrowing costs

## Strong Focus on Improving Our Key Metrics

### Fixed Asset Turnover (X)

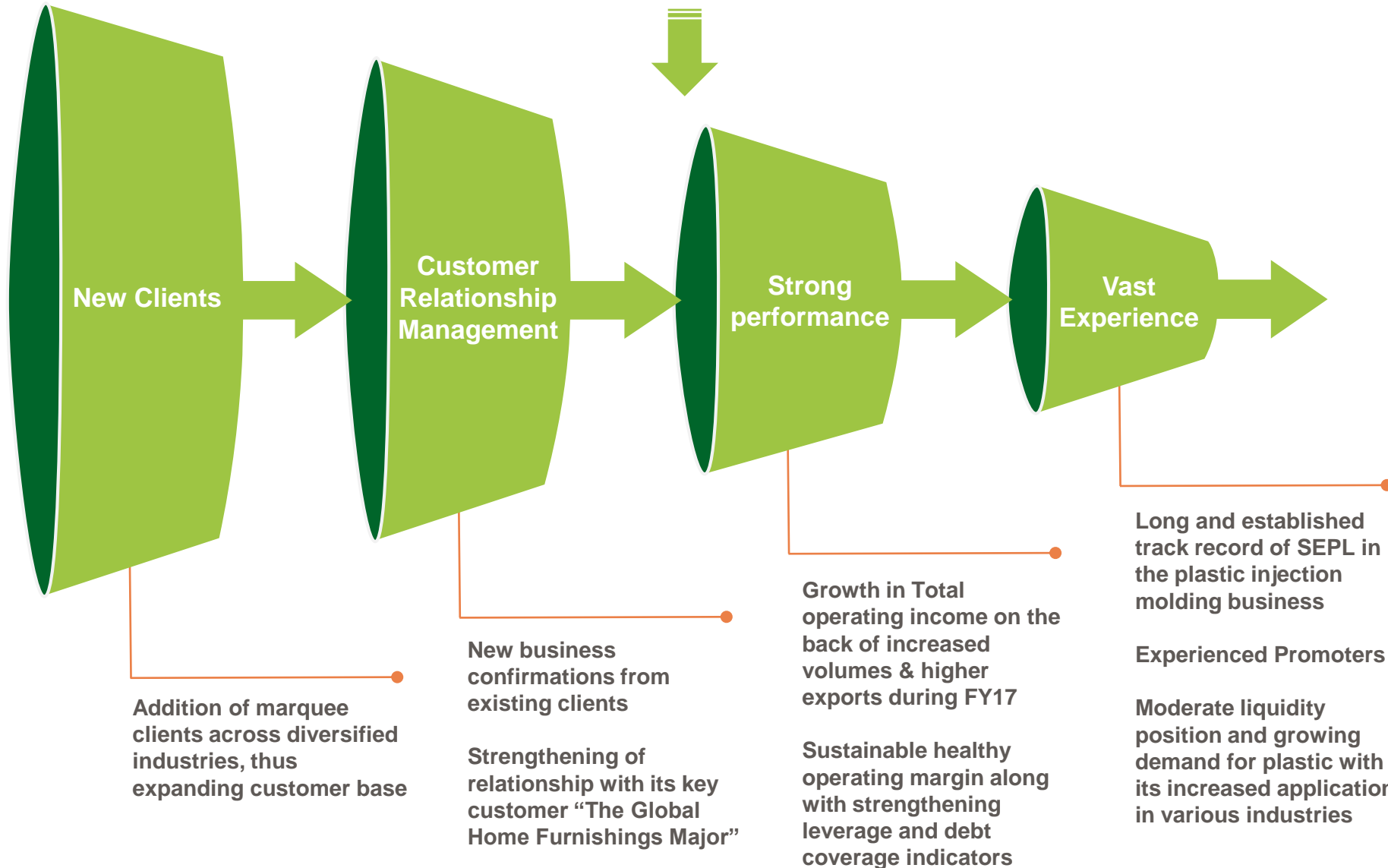


### FCFF to EBITDA (%)



- 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; the slowdown of FY19 has not affected the capex spends required to support the future growth

## Rationale for Upgrade



## Credit Rating Upgraded:

From **CARE BBB+/Positive** to **CARE A-; Stable** for Long-term Bank Facilities

From **CARE A2** to **CARE A2+** for Short-term Bank Facilities



## Ratings Reaffirmed in:

September 2019

October 2018

January 2018

### Company



### Investor Relations Advisors



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#### Company :

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#### Investor Relations Advisors :

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

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**Thank you**