

Shaily Engineering Plastics Ltd

Q1FY19 Investor Presentation

Monday, 13th August 2018





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.

**5
Facilities in
Gujarat**

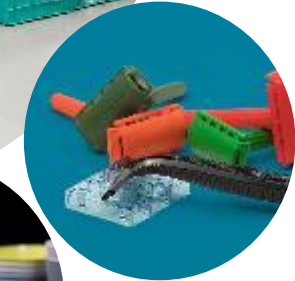
**REVENUE
5 Years CAGR
21% ↑**

**100+ Injection
Moulding
Machines**

**EBITDA
5 Years CAGR
22% ↑**

**1,100+
Employees**

**PAT
5 Years
CAGR
38% ↑**



USD 100mn Revenue by 2020

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**



Leveraging Existing Customer Relationship



Order from?

Business confirmation from **Home Furnishings Major**



Product?

Manufacture & Supply of products under a **Carbon Steel Project**



Order Value?

The Estimated Sales value of the order is **Rs. 100 Crs**



No. of Products?

Start with **6 new products** which will increase in **Future**



Company Initiative?

Set up a New plant **at Halol** for this project and order to **commercialize by September 2019**



Planned Investment – Rs. 40 Crs
Represents a large Business Potential going Forward



Acquisition of Land & Arranging of Long Term Debt Financing

Acquisition of Land

- Purchased land admeasuring **17 acres** at **Halol** for future expansion requirements
- Sales deed executed and the process of completing necessary formalities for transfer of land underway

Long Term Debt Financing

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



Operating Performance in Q1FY19



Revenue

89 Crores 25% YoY



EBITDA

14 Crores 14% YoY



EBITDA Margin

16% 145 bps



PAT

6 Crores 29% YoY



Cash PAT

10 Crores 14% YoY



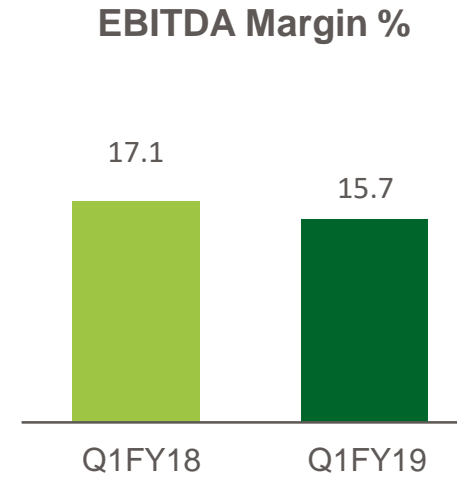
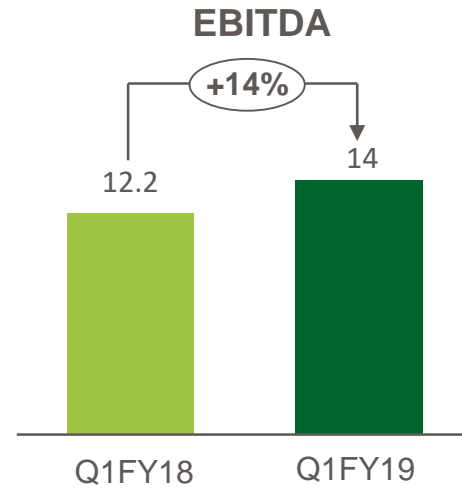
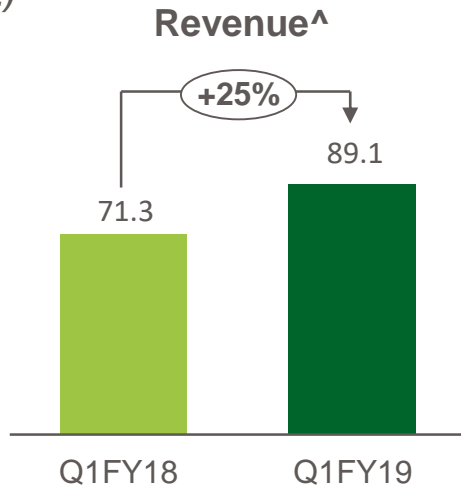
NET Debt: Equity

0.74x

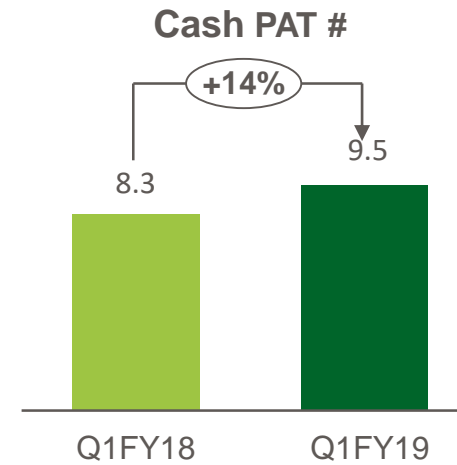
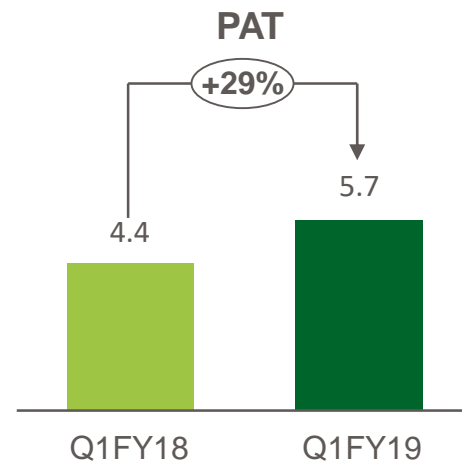
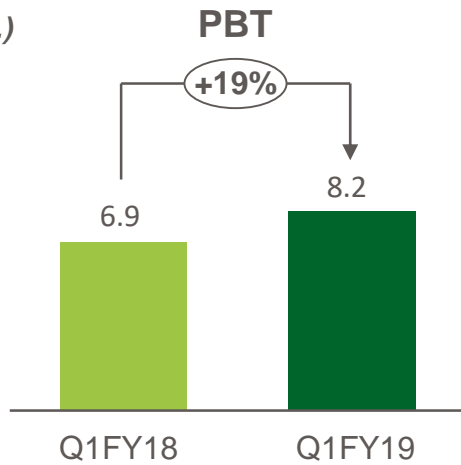
Key Highlights – Q1FY19



(Rs. Cr.)

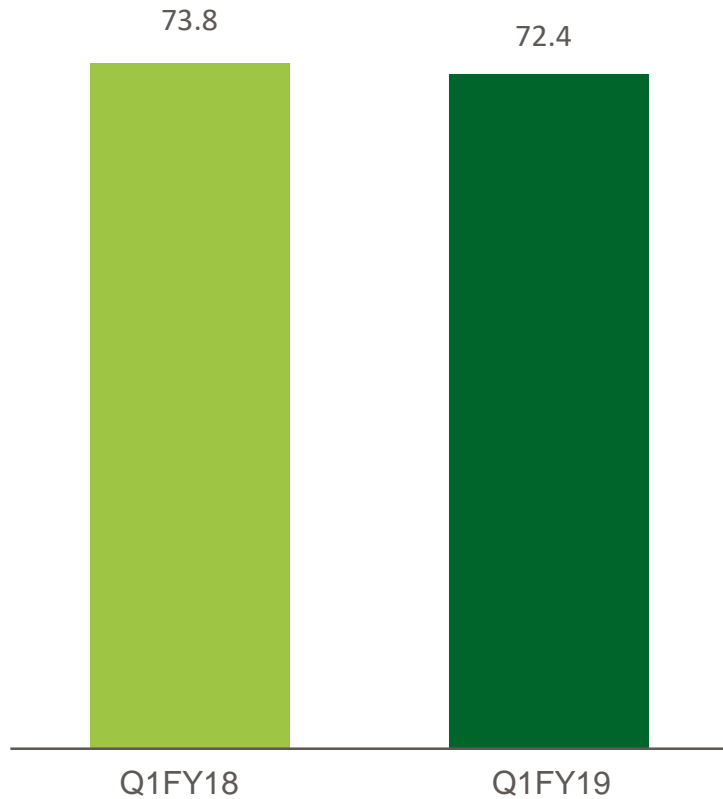


(Rs. Cr.)

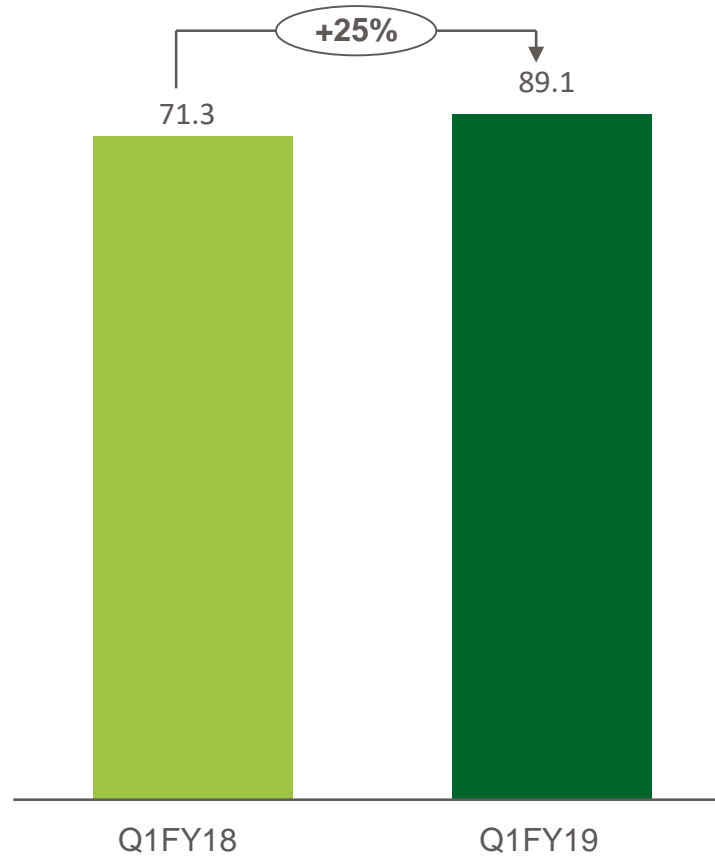


[^] Cash PAT includes PAT & Depreciation
[#] Excise Duty expenses have been excluded for comparison purposes

Machine Utilization (%)



Revenue (Rs. In Crs)

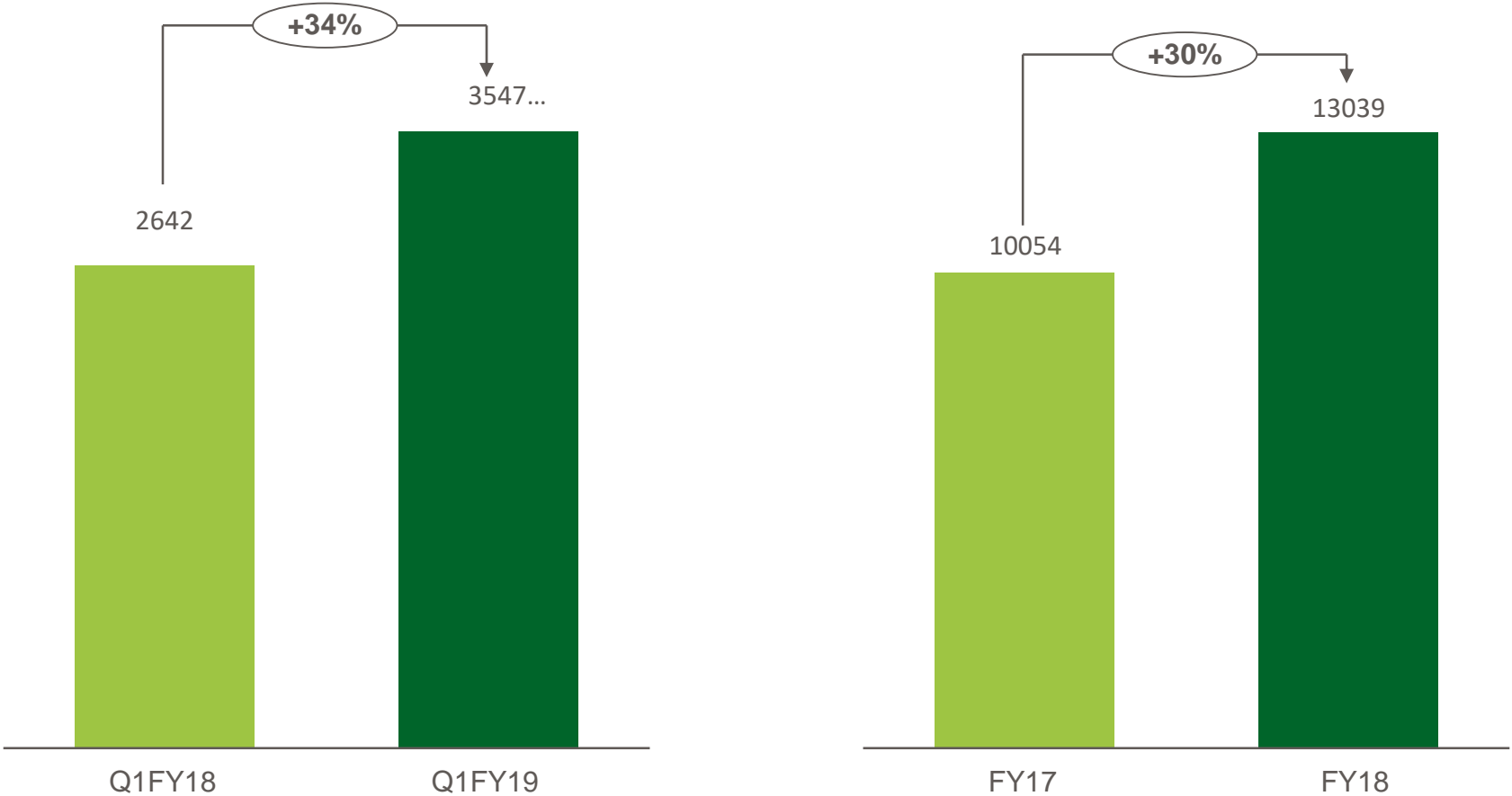


...Focusing on higher value add products

Volume of Polymers Processed

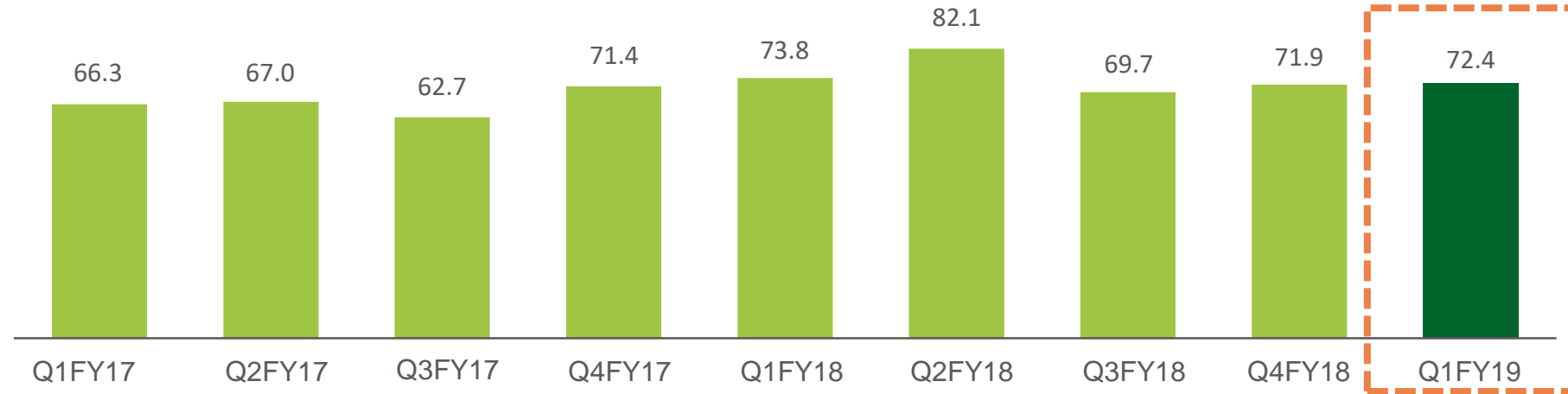


Volume in Tons

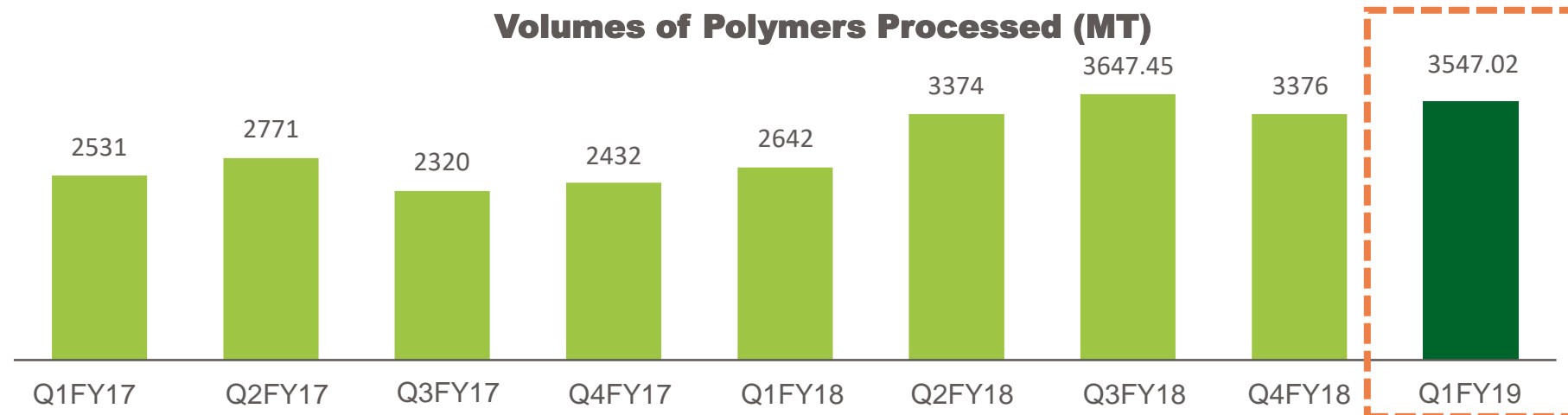


...Increase in basket of product offering and quantity

Machine Utilization (%)

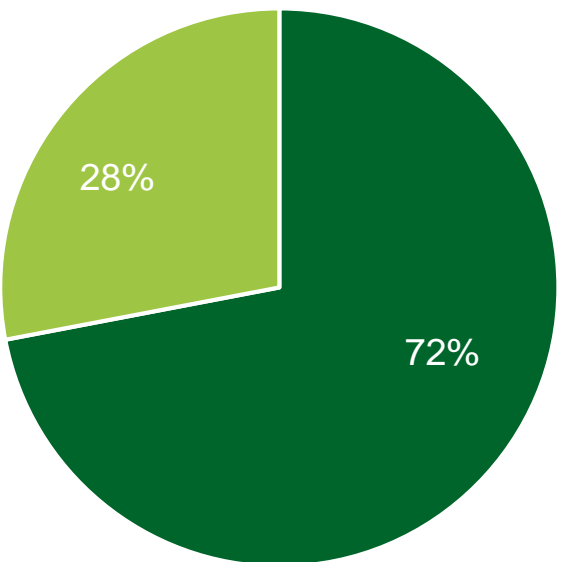


Volumes of Polymers Processed (MT)



Q1FY18

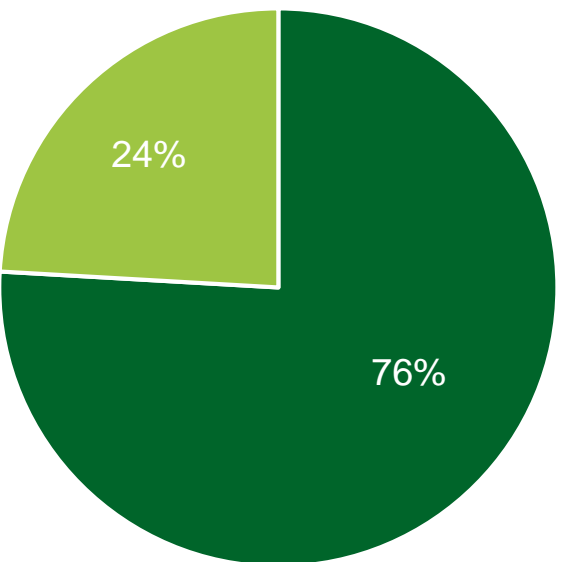
Sales



■ Foreign ■ Domestic

Q1FY19

Sales



■ Foreign ■ Domestic

Quarterly Income Statement as per IndAS



| Particulars in Rs. Crs | Q1FY19 | Q1FY18 | YoY % | FY18 |
|------------------------|--------------|--------------|--------------|--------------|
| Revenue | 89.1 | 71.3 | 25.0% | 318.2 |
| Raw Material | 55.9 | 43.6 | | 198.8 |
| Employee Expenses | 9.9 | 7.1 | | 30.7 |
| Other Expenses* | 9.6 | 7.4 | | 35.6 |
| Other Income | 0.4 | 0.5 | | 2.3 |
| EBITDA | 14.0 | 12.2 | 14.6% | 55.4 |
| <i>EBITDA Margin</i> | <i>15.7%</i> | <i>17.1%</i> | | <i>17.4%</i> |
| Depreciation | 3.7 | 3.9 | | 14.5 |
| Finance Cost | 2.1 | 1.5 | | 6.7 |
| PBT | 8.2 | 6.9 | 19.1% | 34.2 |
| <i>PBT Margin</i> | <i>9.2%</i> | <i>9.6%</i> | | <i>10.8%</i> |
| Tax | 2.4 | 2.4 | | 10.3 |
| PAT | 5.7 | 4.4 | 29.3% | 23.9 |
| <i>PAT Margin</i> | <i>6.4%</i> | <i>6.2%</i> | | <i>7.5%</i> |
| Cash PAT* | 9.5 | 8.3 | 14.0% | 38.4 |
| <i>Cash PAT Margin</i> | <i>10.6%</i> | <i>11.7%</i> | | <i>12.1%</i> |

Note: Financials are excluding Excise Duty

* Other Expenses include Power & Fuel costs

Balance Sheet as per IndAS



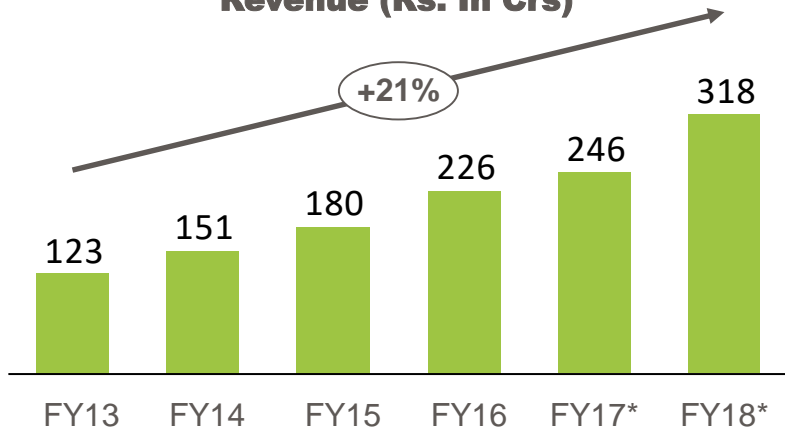
| Particulars in Rs. Crs | Mar 18 | Mar 17 |
|-------------------------------------|--------------|--------------|
| Assets | | |
| Non current Assets | 125.9 | 104.3 |
| Fixed Assets | | |
| Property Plant & Equipment | 106.4 | 93.8 |
| Capital WIP | 5.8 | 3.1 |
| Intangible Assets | 1.2 | 0.3 |
| Intangible Assets under Development | - | 0.6 |
| Financial Assets | | |
| Investments | 0.2 | 0.2 |
| Others | 8.0 | 0.2 |
| Other Non current Assets | 4.4 | 6.2 |
| Current Assets | 158.9 | 96.0 |
| Inventories | 40.7 | 27.5 |
| Financial Assets | | |
| Trade Receivables | 68.2 | 46.2 |
| Cash & cash equivalents | 0.4 | 0.6 |
| Other Bank Balances | 3.3 | 3.1 |
| Loans | 0.1 | 0.0 |
| Other Financial Assets | 9.7 | 0.0 |
| Other Current Assets | 36.6 | 18.5 |
| Total Assets | 284.8 | 200.3 |

| Particulars in Rs. Crs | Mar 18 | Mar 17 |
|---------------------------------------|--------------|--------------|
| Equity & Liabilities | | |
| Equity | 124.3 | 105.4 |
| Share Capital | 8.3 | 8.3 |
| Other Equity | 115.9 | 97.1 |
| Non Current Liabilities | 27.0 | 18.8 |
| Financial Liabilities – Borrowings | 21.0 | 16.0 |
| Provisions | 0.9 | 0.9 |
| Deferred Tax Liabilities (Net) | 4.2 | 1.0 |
| Other Non Current Liabilities | 0.8 | 0.9 |
| Current Liabilities | 133.5 | 76.1 |
| Financial Liabilities | | |
| Borrowings | 63.9 | 37.1 |
| Trade Payables | 40.5 | 20.0 |
| Other Financial Liabilities | 25.0 | 14.2 |
| Other Current Liabilities | 1.7 | 2.5 |
| Provisions | 0.5 | 0.4 |
| Current Tax Liabilities (Net) | 1.9 | 1.9 |
| Total Equity & Liabilities | 284.8 | 200.3 |

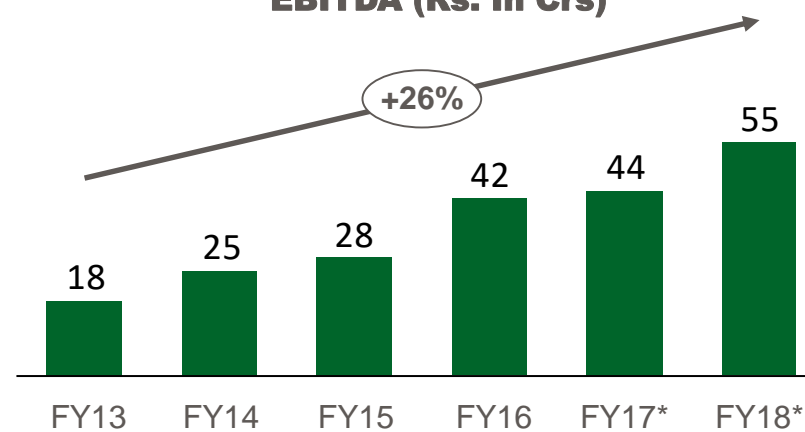
Delivering PROFITABLE GROWTH



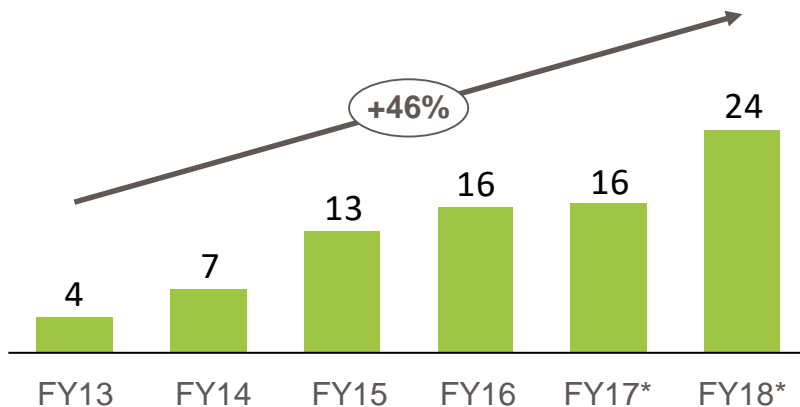
Revenue (Rs. In Crs)



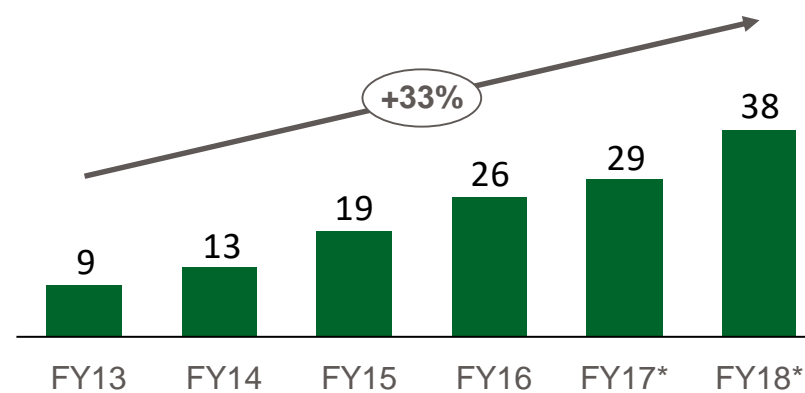
EBITDA (Rs. In Crs)



PAT (Rs. In Crs)



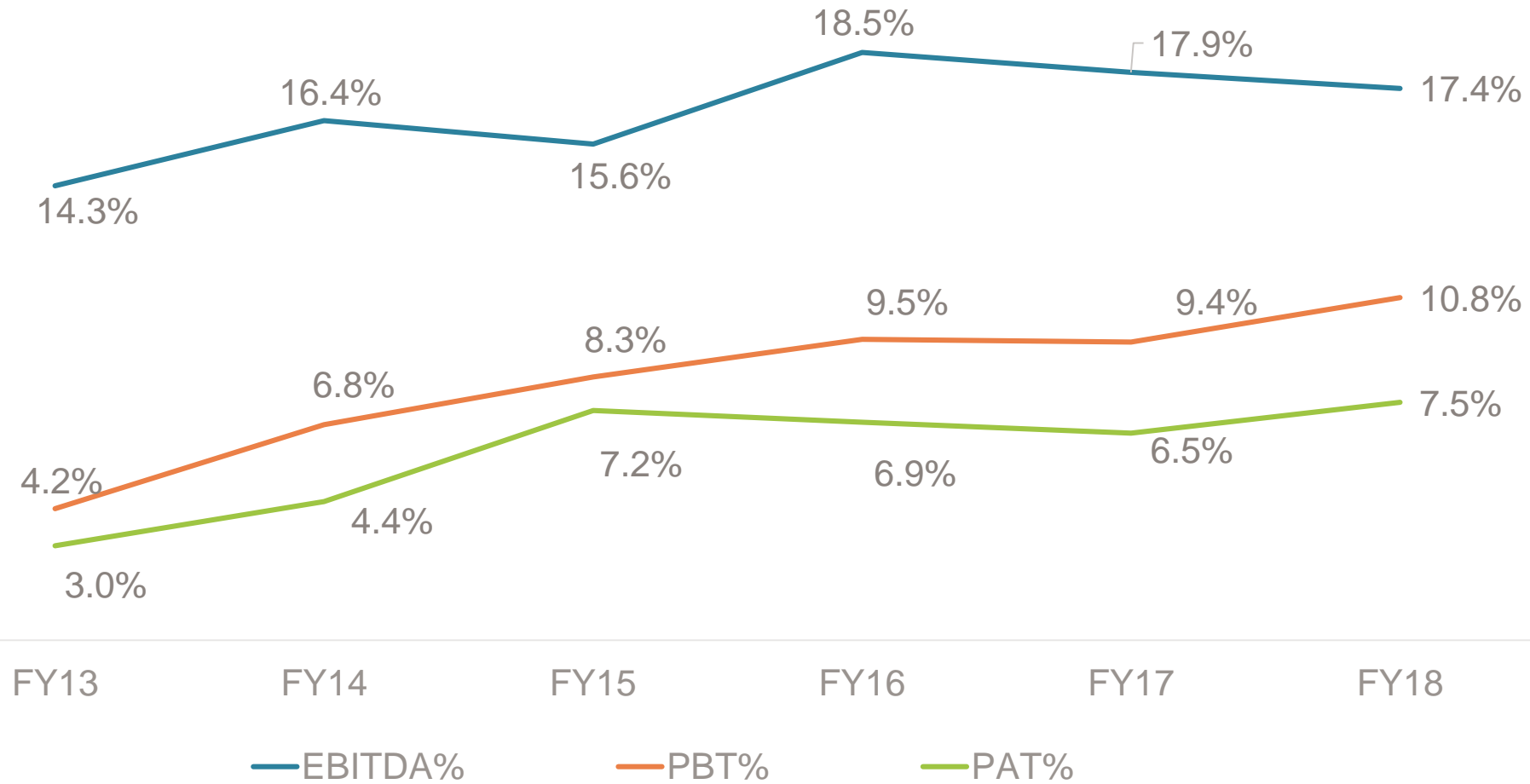
Cash PAT (Rs. In Crs)



* As per IndAS

Note: Financials are excluding Excise Duty

Improving MARGIN Profile



Note: Financials are excluding Excise Duty

Historical Income Statement as per I-GAAP



| Particulars in Rs. Crs. | FY17 | FY16 | FY15 | FY14 | FY13 |
|-------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Revenue# | 252.6 | 231.2 | 185.4 | 155.1 | 125.7 |
| 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 |
| EBITDA | 44.4 | 41.8 | 28.0 | 24.6 | 17.6 |
| <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 |
| PBT | 23.2 | 21.4 | 14.9 | 10.2 | 5.1 |
| <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 |
| PAT | 15.9 | 15.5 | 13.0 | 6.6 | 3.6 |
| <i>PAT Margin</i> | 6.3% | 6.7% | 7.2% | 4.4% | 2.9% |
| *Cash PAT | 29.2 | 25.7 | 19.4 | 12.6 | 9.2 |
| <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*

^ As per IndAS

Historical Balance Sheet as per I-GAAP

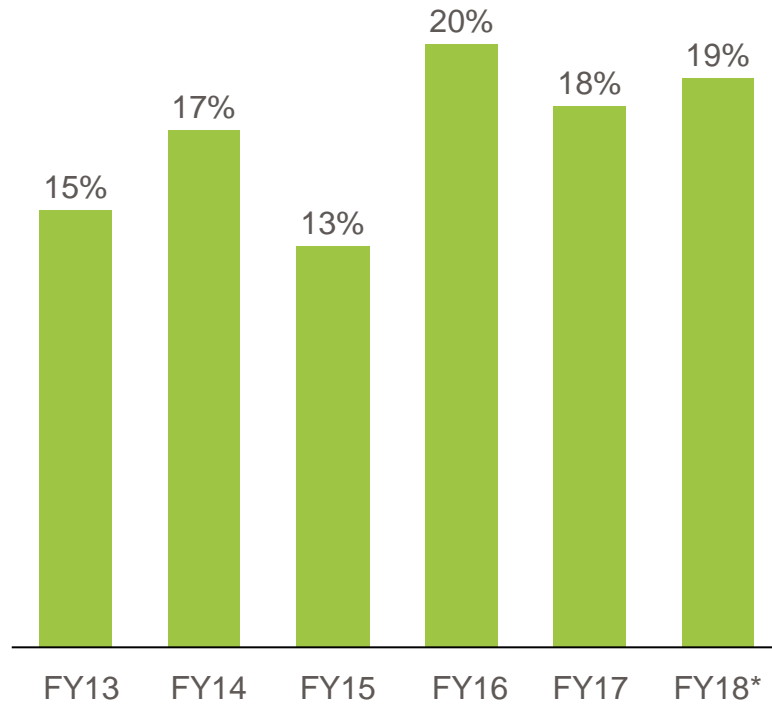


| Rs. Crs. | FY17 | FY16 | FY15 | FY14 | FY13 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Shareholder's Fund | 105.6 | 89.8 | 78.3 | 42.6 | 36.0 |
| Share capital | 8.3 | 8.3 | 8.3 | 7.3 | 7.3 |
| Reserves & Surplus | 97.3 | 81.4 | 70.0 | 35.2 | 28.7 |
| Non-current liabilities | 24.6 | 39.1 | 40.6 | 43 | 19.8 |
| 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 | - | - |
| Current liabilities | 75.6 | 62.2 | 73.6 | 57.8 | 51.5 |
| 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 | - | - |
| Total Liabilities | 205.8 | 191.1 | 192.5 | 143.6 | 107.2 |

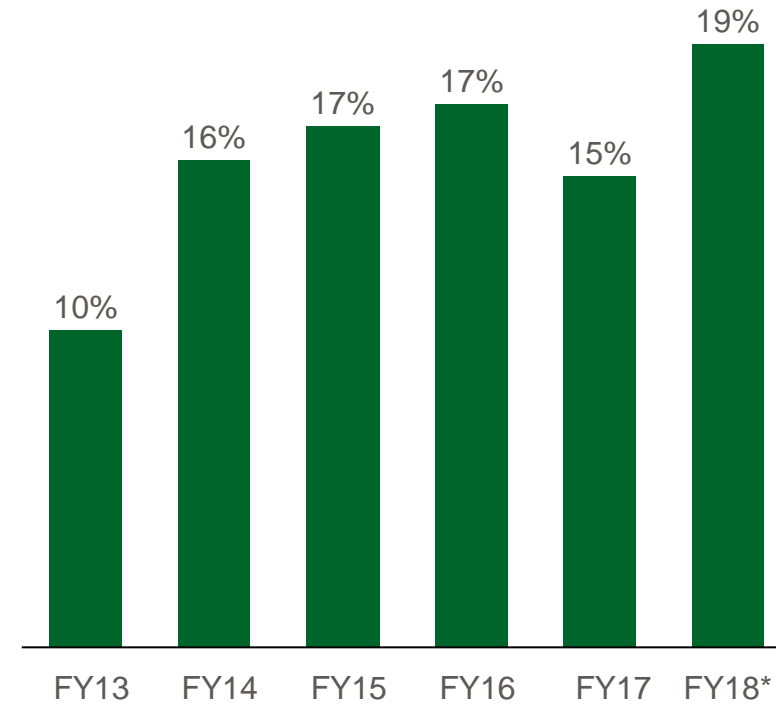
| Rs. Crs. | FY17 | FY16 | FY15 | FY14 | FY13 |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|
| Non-current assets | 107.3 | 102.5 | 87.0 | 58.0 | 50 |
| Fixed assets | 97.7 | 97.7 | 77.6 | 49.8 | 45.2 |
| Long-term loans and advances | 9.4 | 4.6 | 9.1 | 8.2 | 4.8 |
| Non-current investments | 0.2 | 0.2 | 0.3 | - | - |
| Current assets | 98.5 | 88.6 | 105.5 | 85.6 | 57.2 |
| 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 |
| Total Assets | 205.8 | 191.1 | 192.5 | 143.6 | 107.1 |

Note: Financials are excluding Excise Duty

ROCE (%)



ROE (%)

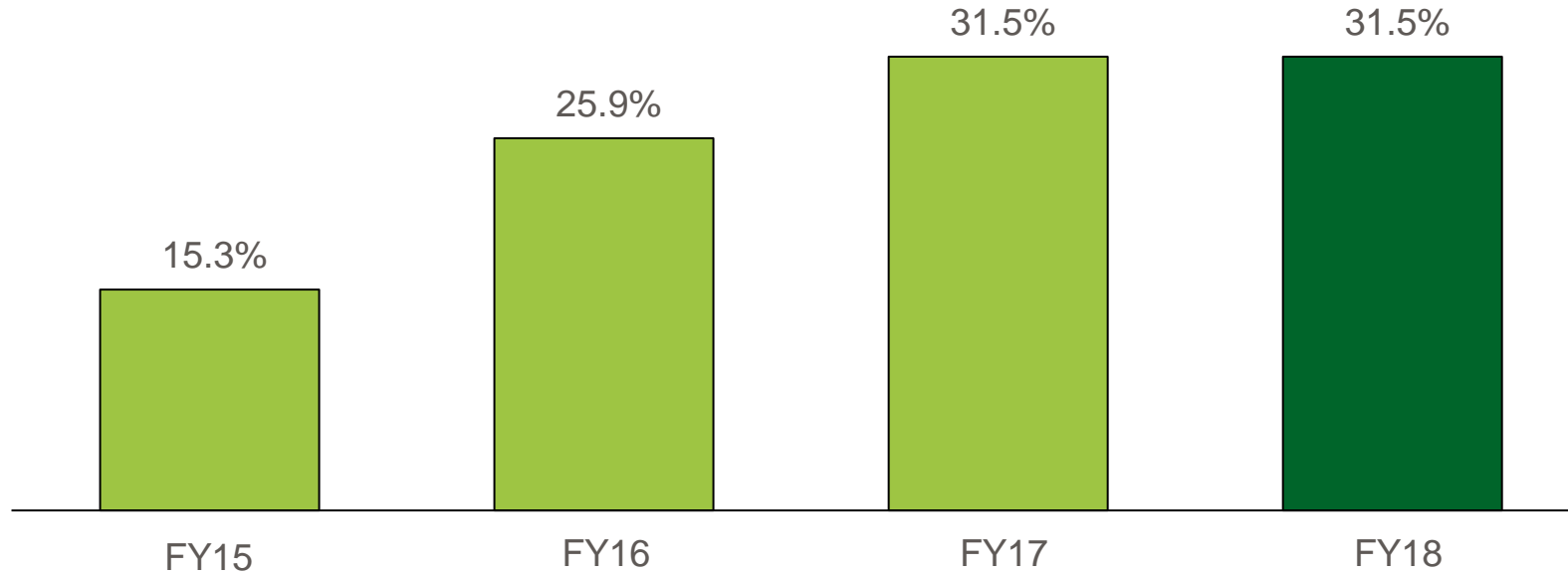


* As per IndAS

Increasing DIVIDEND PAYOUT



Dividend Payout (%)



| Particulars (Rs.) | FY15 | FY16 | FY17 | FY18 |
|-------------------------------|-------|-------|-------|-------|
| Book Value per Share | 94.3 | 108.2 | 127.2 | 149.4 |
| Earning Per Share | 15.6 | 18.6 | 19.1 | 28.7 |
| Dividend Per share | 2.0 | 4.0 | 5.0 | 7.5 |
| Dividend Payout including DDT | 15.3% | 25.9% | 31.5% | 31.5% |

Company



Investor Relations Advisors



Company :

Investor Relations Advisors :

Shaily Engineering Plastics Ltd.
CIN – L51900GJ1980PLC065554

Strategic Growth Advisors Pvt. Ltd.
CIN - U74140MH2010PTC204285

Mr. Sanjay Shah, CSO
sanjay@shaily.com

Mr. Shogun Jain/Mr. Pratik R. Shah
shogun.jain@sgapl.net / pratik.shah@sgapl.net

www.shaily.com

www.sgapl.net



Thank you