

SEPL/SE/Nov/19-20
November 14, 2019

The General Manager,
Corporate Services/Listing Department
BSE Limited
Floor 25, P.J. Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code : 501423

Sub : Q2FY20 Result Presentation

Ref : Regulation 30 of the SEBI Listing Regulations, 2015

Dear Sir,

In continuation to our letter dated November 13, 2019, regarding intimation of Earnings Call of the Company scheduled on November 15, 2019 to discuss the operational & financial performance, kindly find enclosed herewith **Q2FY20 Result Presentation** of the Company.

A copy of the same is also available on our website www.shaily.com.

Kindly take the same on record.

Thanking You.

Yours truly,
For Shaily Engineering Plastics Limited


Chintan Shah
Chief Financial Officer

Encl : a/a

Shaily Engineering Plastics Ltd

Q2 & H1FY20 Investor Presentation

Thursday, 14th November 2019





Overview

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**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% ↑**

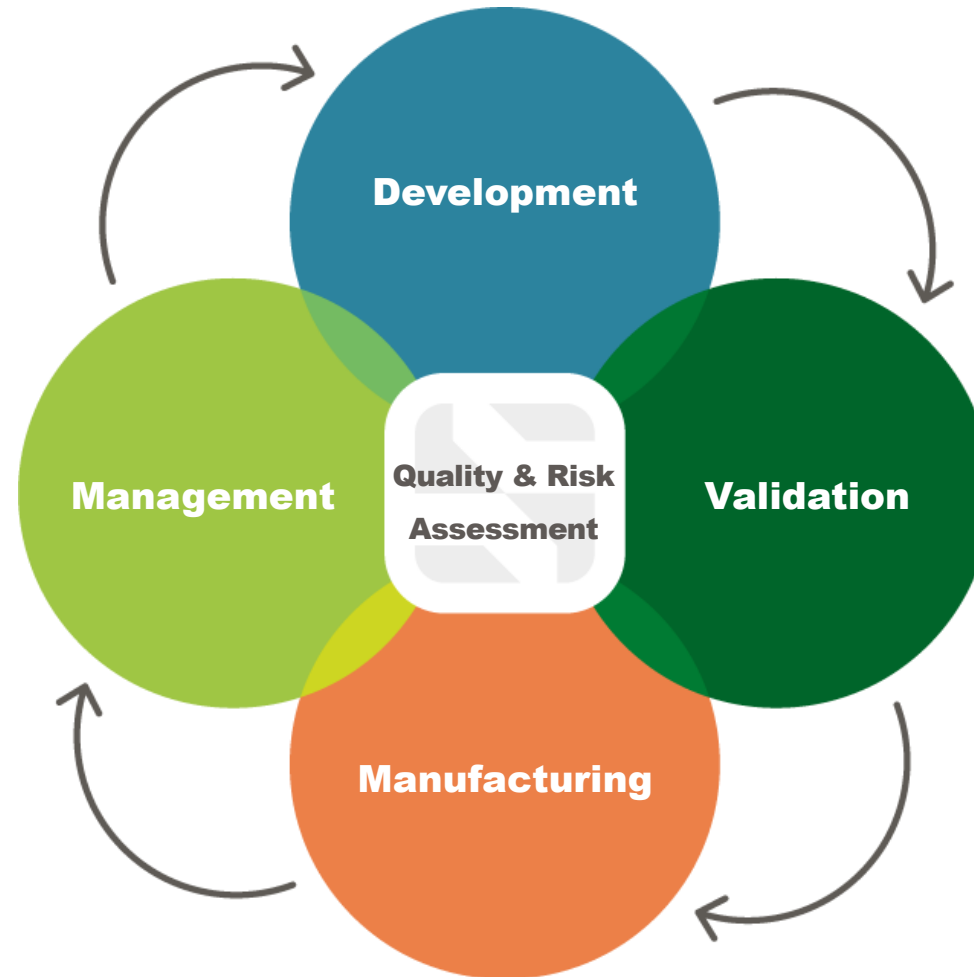


Management

- 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
- Land Transferred process complete
- Construction of Plant at Halol underway

Long Term Debt Financing

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





**Our
Performance**





New business under negotiation with a large MNC in personal care segment



Additional business confirmed from an automotive customer for Rod



Confirmation of Business for Bottles & Caps received from a Japanese entity

Operating Performance in H1 FY20



168.2 Crores
Revenue



39.5%
Gross Margin



28.6 Crores
EBITDA



17.0%
EBITDA Margin

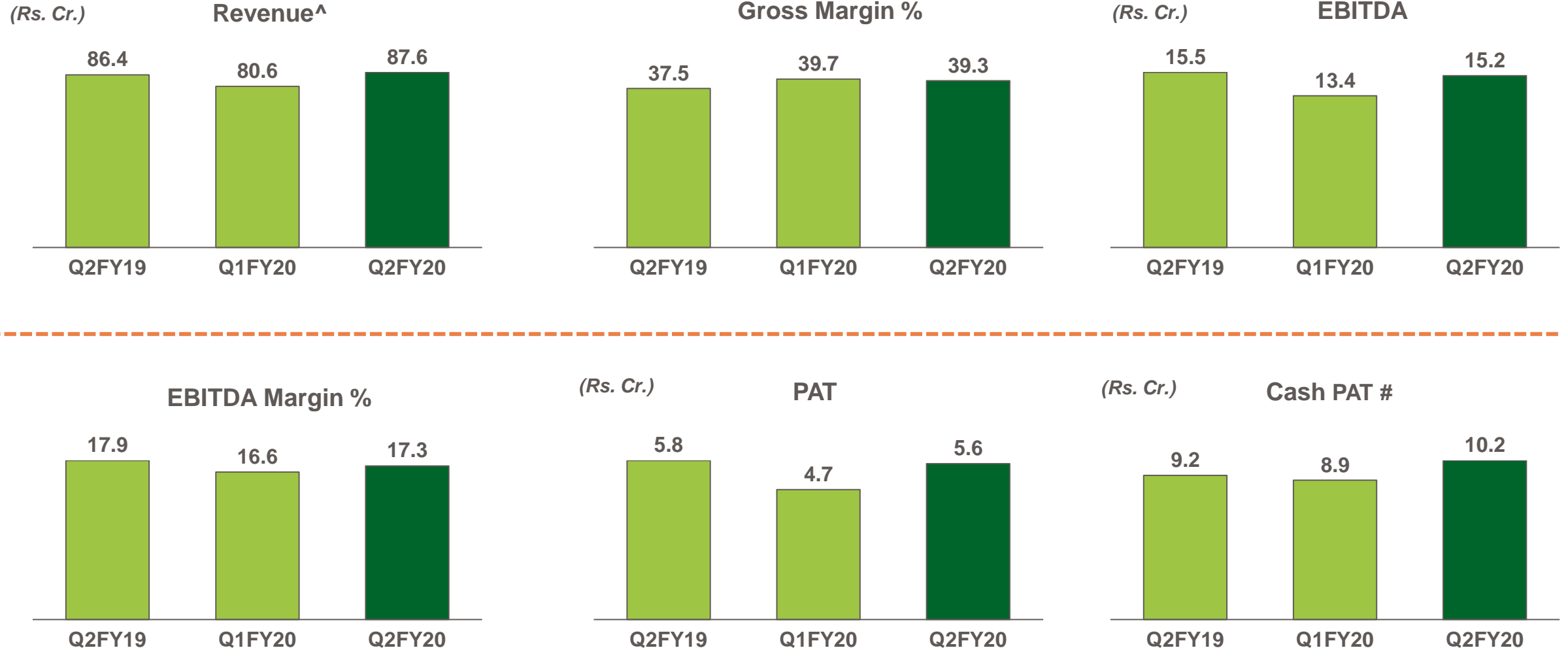


10.4 Crores
PAT



0.6x
NET Debt: Equity

Key Financial Highlights – Q2FY20

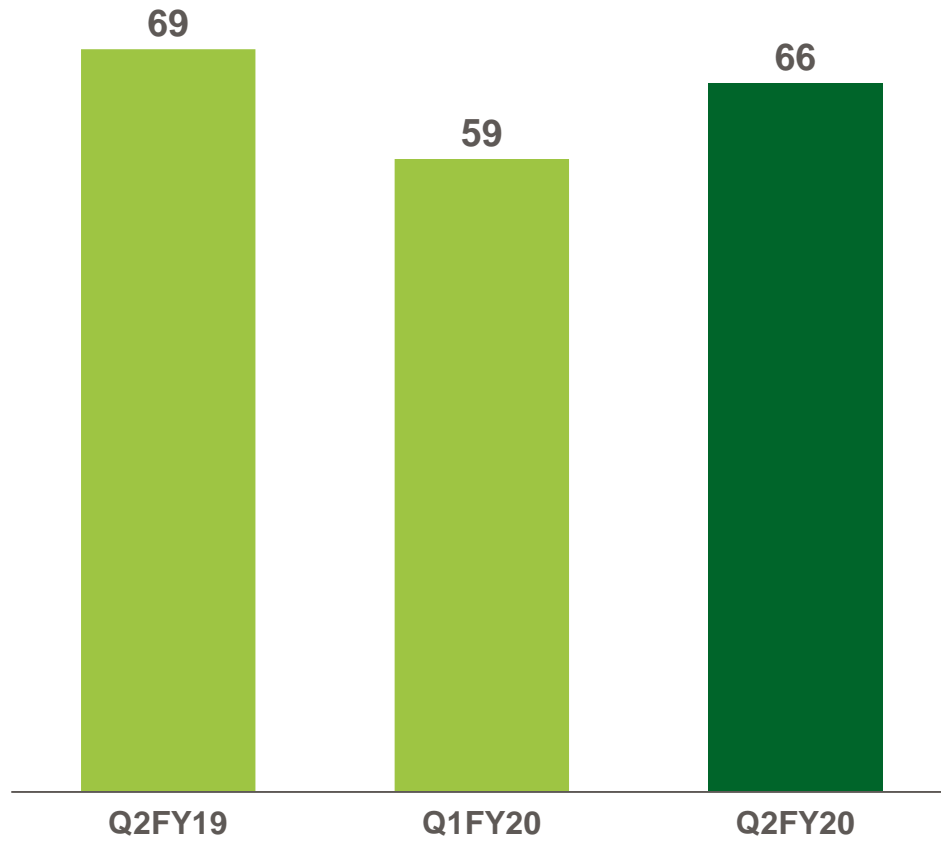


Cash PAT includes PAT & Depreciation

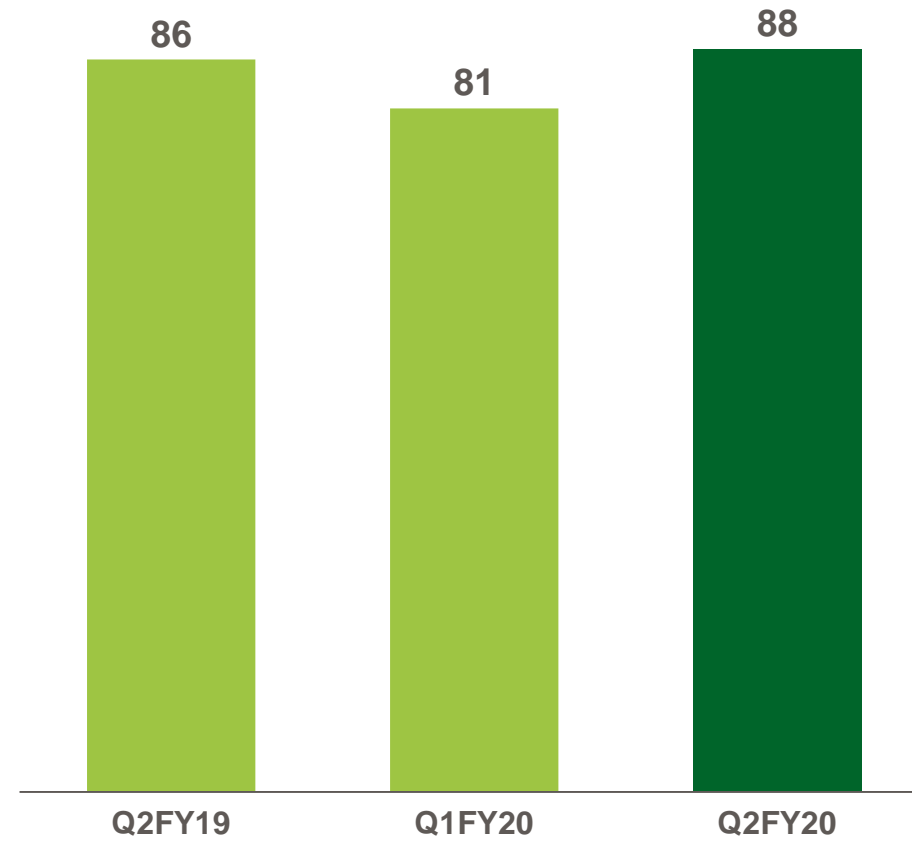
Machine Utilization – Across Plants



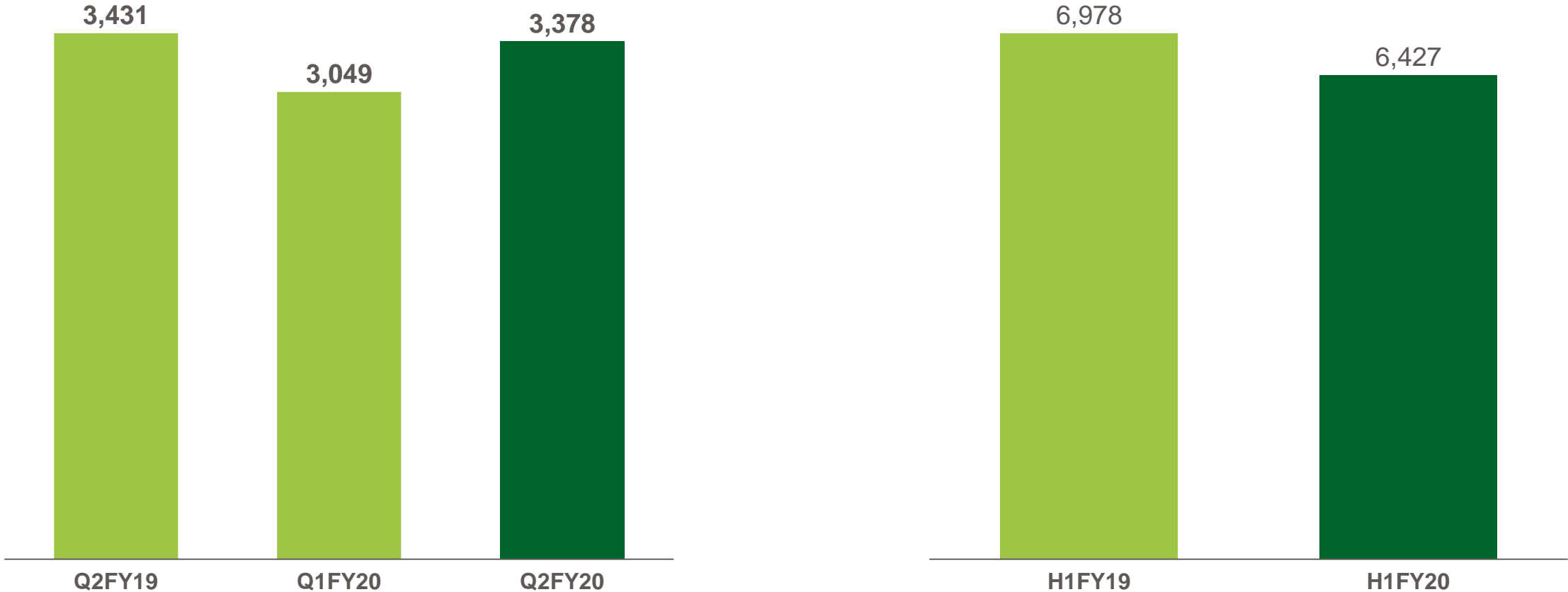
Machine Utilization (%)



Revenue (Rs. In Crs)



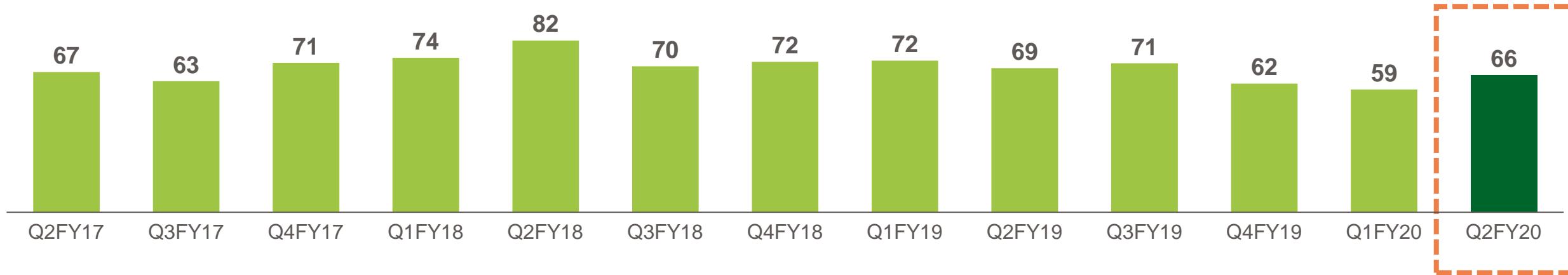
Volume of Polymers Processed



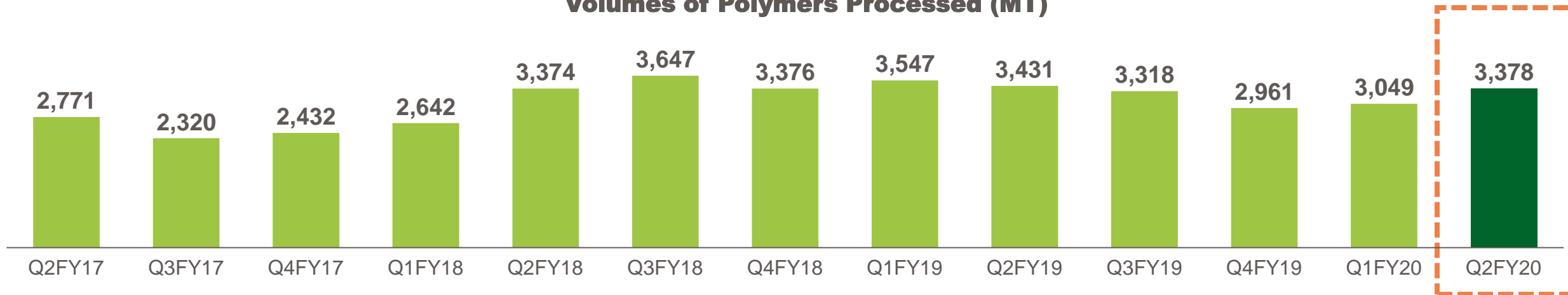
Volume in Tons

Figures are rounded off

Machine Utilization (%)



Volumes of Polymers Processed (MT)

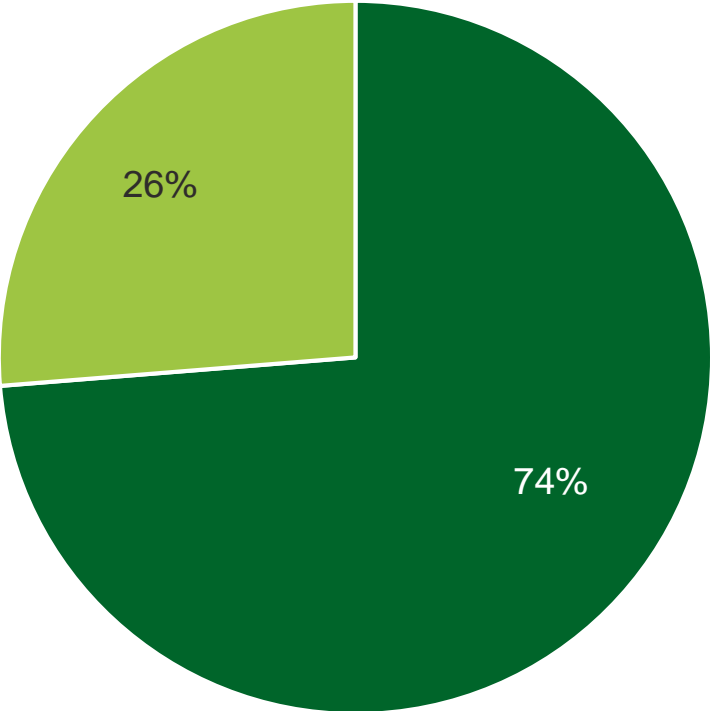


Revenue Analysis - Domestic Vs. Exports



H1FY19

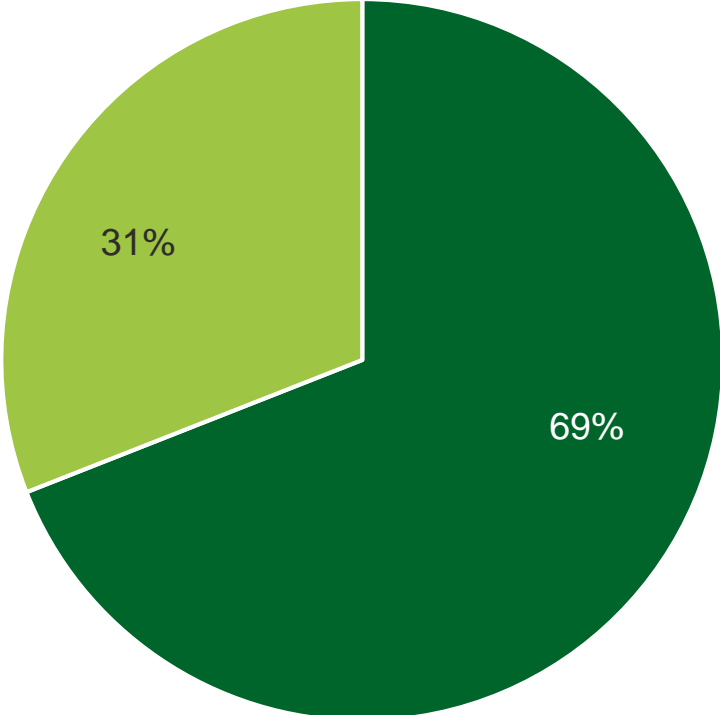
Sales



Foreign Domestic

H1FY20

Sales



Foreign Domestic



Figures are rounded off

Income Statement



Particulars (Rs. Cr.)	Q2FY20	Q2FY19	YoY %	Q1FY20	QoQ %	H1FY20	H1FY19	YoY %
Revenue	87.6	86.4	1.4%	80.6	8.7%	168.2	175.4	-4.1%
Raw Material	53.1	54.0		48.6		101.7	109.9	
Employee Expenses	6.4	5.9		6.1		12.5	12.7	
Other Expenses*	13.7	11.8		12.6		26.2	24.5	
Other Income	0.8	0.7		0.1		0.9	1.1	
EBITDA	15.2	15.5	-1.9%	13.4	13.2%	28.6	29.5	-2.9%
EBITDA Margin	17.3%	17.9%		16.6%		17.0%	16.8%	
Depreciation	4.5	3.5		4.2		8.7	7.2	
Finance Cost	2.7	1.9		2.7		5.4	4.0	
PBT	7.9	10.11	-21.5%	6.6	21.0%	14.5	18.29	-20.8%
PBT Margin	9.1%	11.7%		8.1%		8.6%	10.4%	
Tax	2.3	4.4		1.8		4.1	6.8	
PAT	5.6	5.8	-1.9%	4.7	19.4%	10.4	11.5	-9.8%
PAT Margin	6.4%	6.7%		5.9%		6.2%	6.6%	
Cash PAT[^]	10.2	9.2	10.3%	8.9	13.7%	19.1	18.7	2.2%
Cash PAT Margin	11.6%	10.7%		11.1%		11.3%	10.6%	

[^] Cash PAT = PAT + Depreciation

* Other Expenses include Power & Fuel costs

Balance Sheet



Particulars in (Rs. Cr.)	Sep 19	Mar 19
Assets		
Non-current Assets	185.4	175.3
Fixed Assets		
Property Plant & Equipment	145.2	144.0
Capital WIP	8.0	2.7
Intangible Assets	5.4	3.3
Financial Assets		
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
Current Assets	134.2	136.3
Inventories	39.7	43.1
Financial Assets		
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
Total Assets	319.5	311.6

Particulars (Rs. Cr.)	Sep 19	Mar 19
Equity & Liabilities		
Equity	146.3	136.1
Share Capital	8.3	8.3
Other Equity	137.9	127.8
Non-Current Liabilities	60.4	57.2
Financial Liabilities		
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
Current Liabilities	112.8	118.2
Financial Liabilities		
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
Total Equity & Liabilities	319.5	311.6

Cash Flow Statement

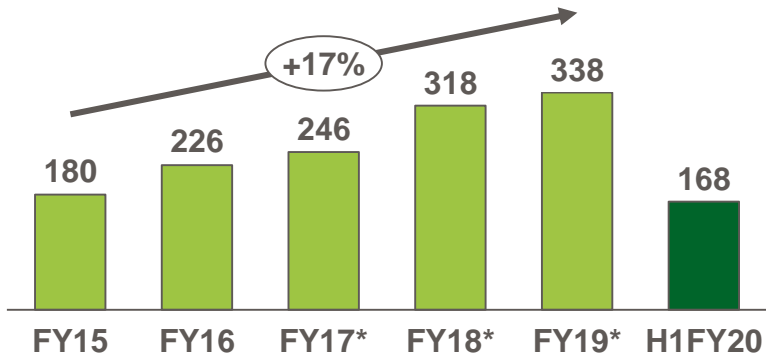


Particulars (Rs. Cr.)	H1 FY20	H1 FY19
PBT	14.5	18.3
Adjustments	11.5	7.5
Operating profit before working capital changes	25.9	25.8
Changes in working capital	18.2	24.3
Cash generated from operations	44.2	50.1
Direct taxes paid (net of refund)	(4.6)	(6.7)
Net Cash from Operating Activities	39.5	43.4
Net Cash from Investing Activities	(21.1)	(38.8)
Net Cash from Financing Activities	(17.7)	(4.3)
Net Change in cash and cash equivalents	0.7	0.3
Opening Cash Balance	0.6	0.4
Closing Cash Balance	1.3	0.7

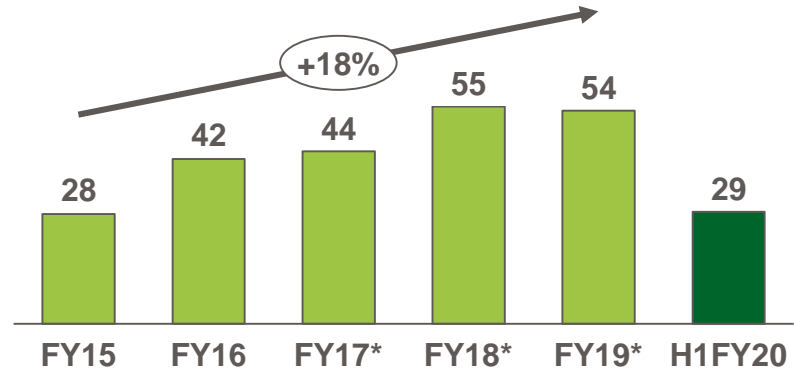
Delivering PROFITABLE GROWTH



Revenue (Rs. In Crs)



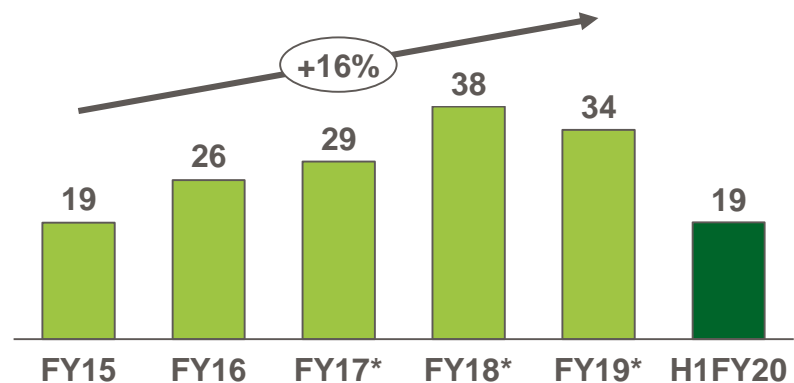
EBITDA (Rs. In Crs)



PAT (Rs. In Crs)

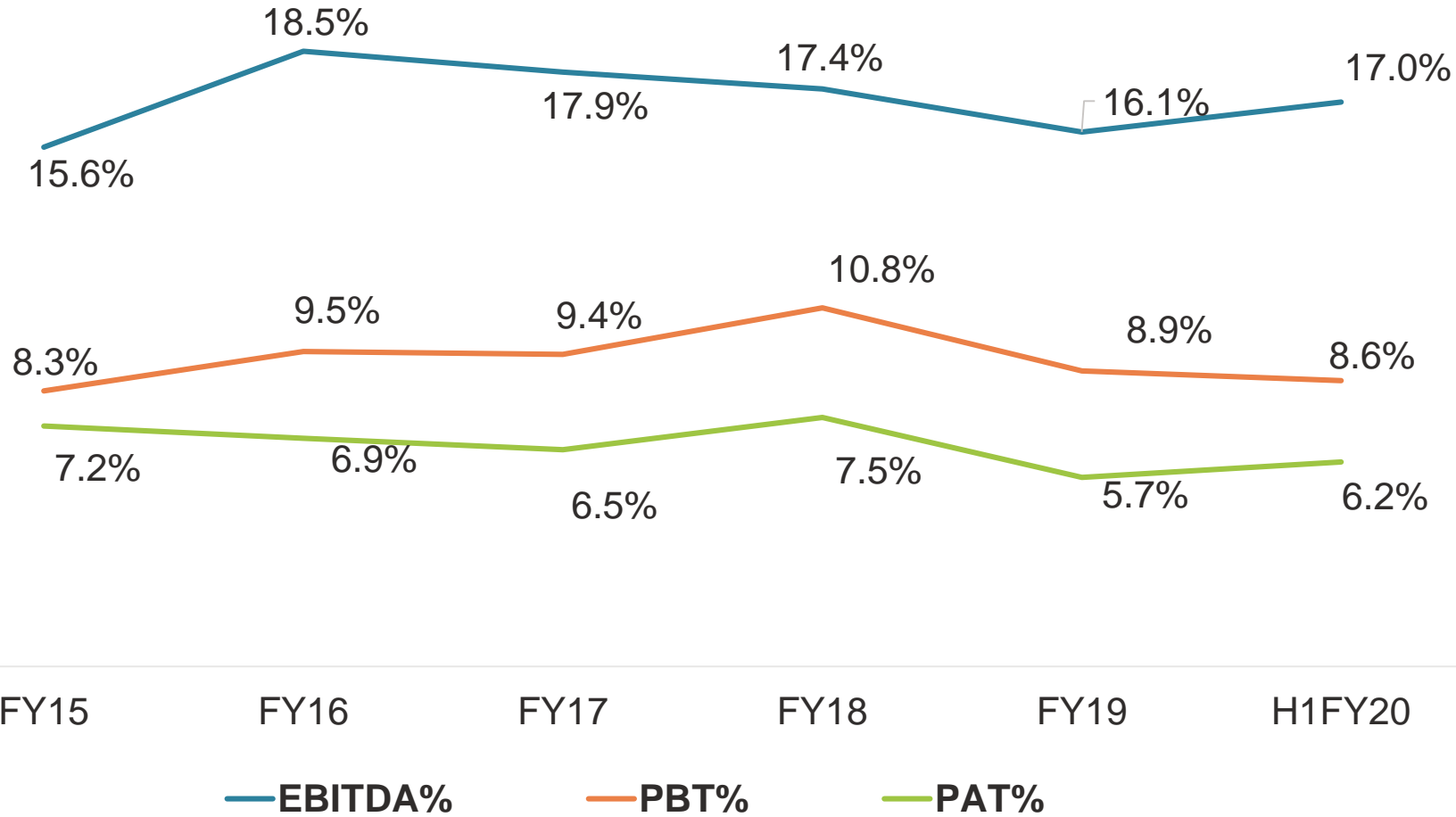


Cash PAT (Rs. In Crs)



- 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

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

Historical Balance Sheet as per I-GAAP

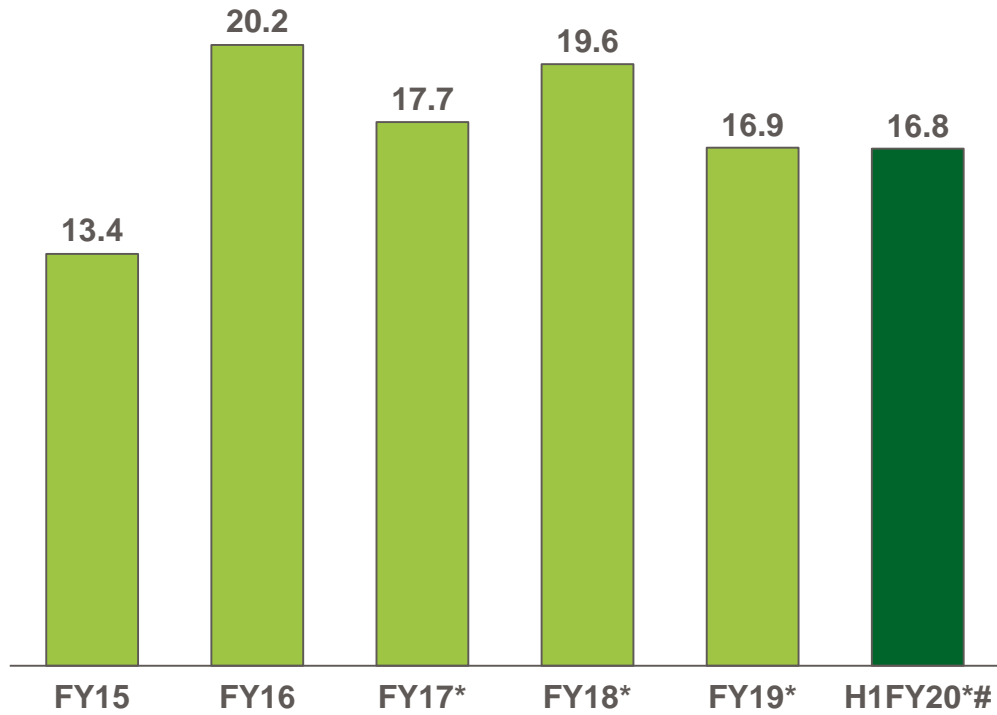


Rs. Crs.	FY17	FY16	FY15	FY14	FY13
Shareholder's Fund	105.6	89.8	78.3	42.6	36.0
Share capital	8.3	8.3	8.3	7.3	7.3
Reserves & Surplus	97.3	81.4	70.0	35.2	28.7
Non-current liabilities	24.6	39.1	40.6	43	19.8
Long term borrowings	16.4	30.9	32.7	38.2	15.1
Deferred Tax Liabilities (net)	6.3	6.3	5.0	3.2	3.1
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

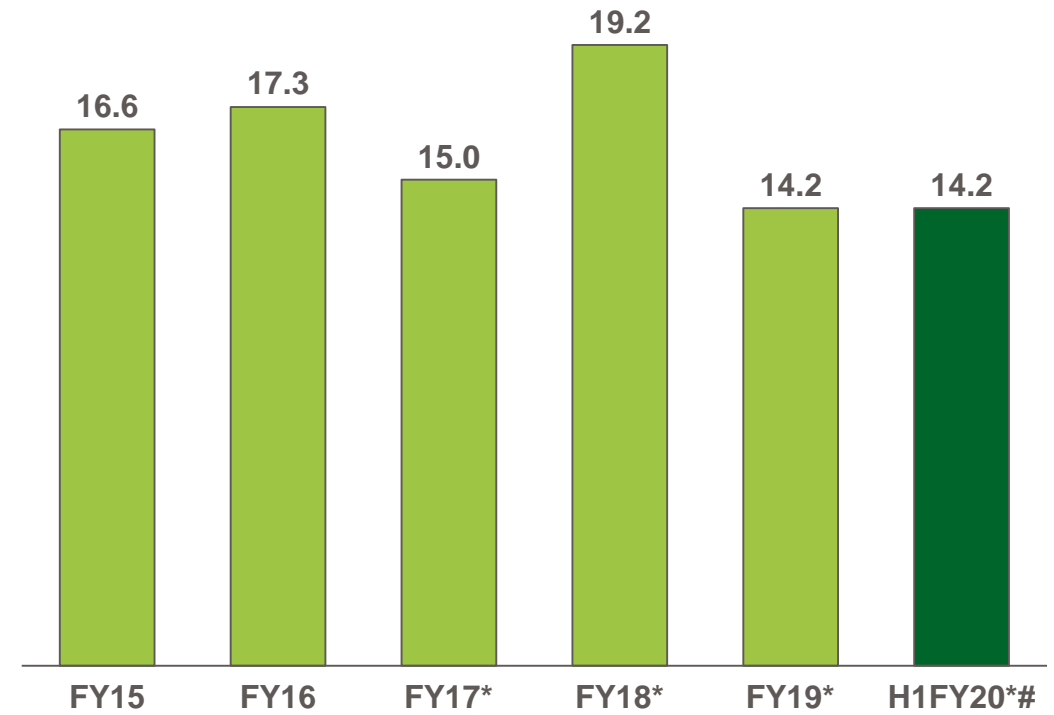
Rs. Crs.	FY17	FY16	FY15	FY14	FY13
Non-current assets	107.3	102.5	87.0	58.0	50
Fixed assets	97.7	97.7	77.6	49.8	45.2
Long-term loans and advances	9.4	4.6	9.1	8.2	4.8
Non-current investments	0.2	0.2	0.3	-	-
Current assets	98.5	88.6	105.5	85.6	57.2
Current Investments	-	-	25.4	-	-
Inventories	27.5	22.5	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 (%)



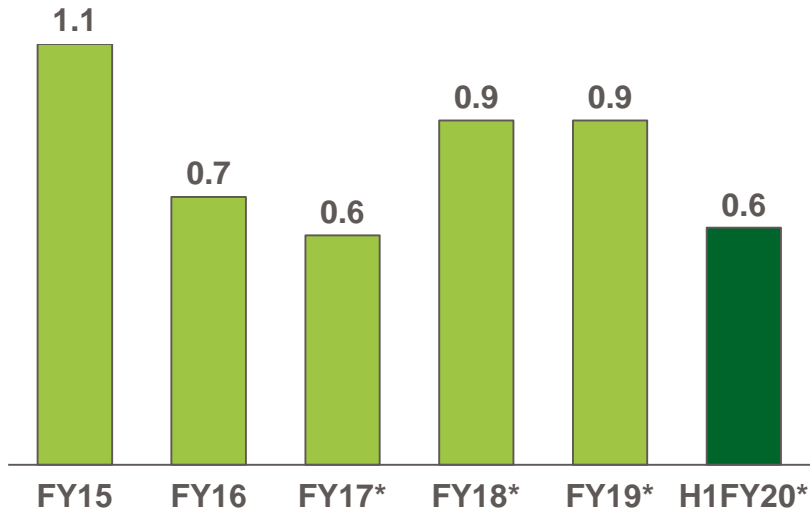
*As per IndAS

On Annualised basis

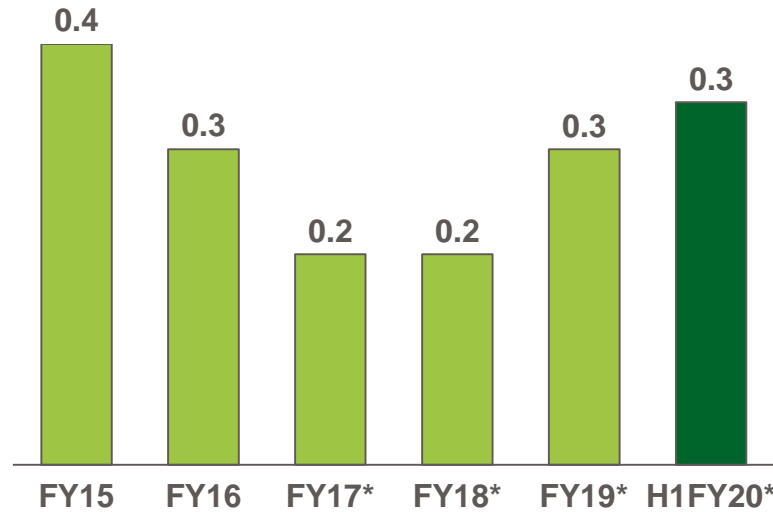
Growth Along With Low Leverage



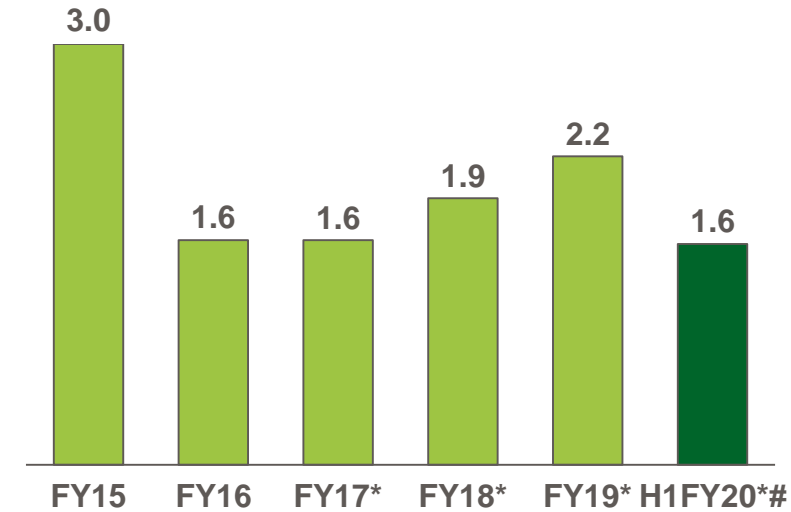
Total Debt : Equity (x)



Long Term Debt : Equity (x)



Total Debt : EBITDA (x)



- The growth in Business has been achieved with disciplined use of capital
- The company has spent total of Rs. 7.2 cr. in capex and the same has been funded by internal accruals and bank loans
- The internal accruals also been utilized towards scheduled repayments of Long-term loans, which have positively impacted the credit rating therefore the borrowing costs

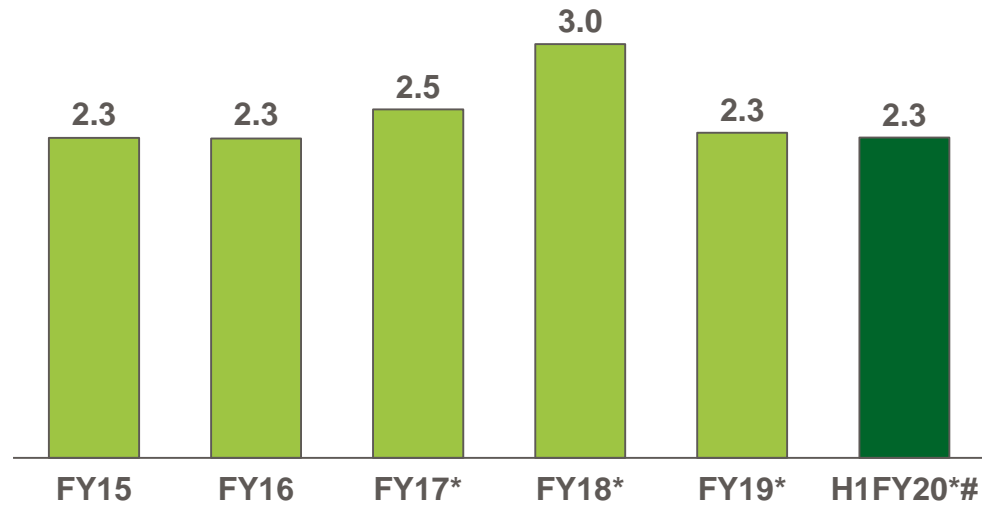
*As per IndAS

On Annualised basis

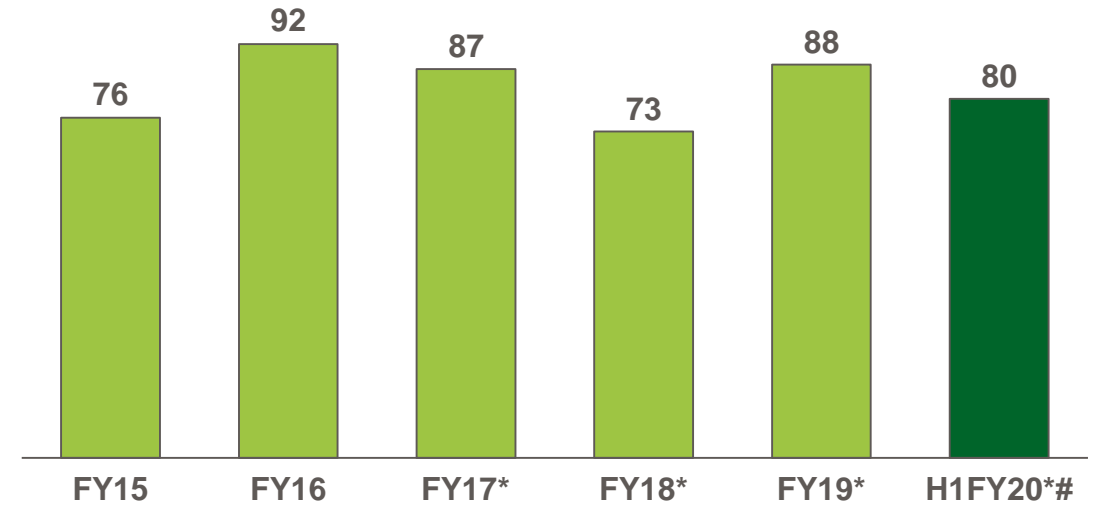
Strong Focus on Improving Our Key Metrics



Fixed Asset Turnover (X)



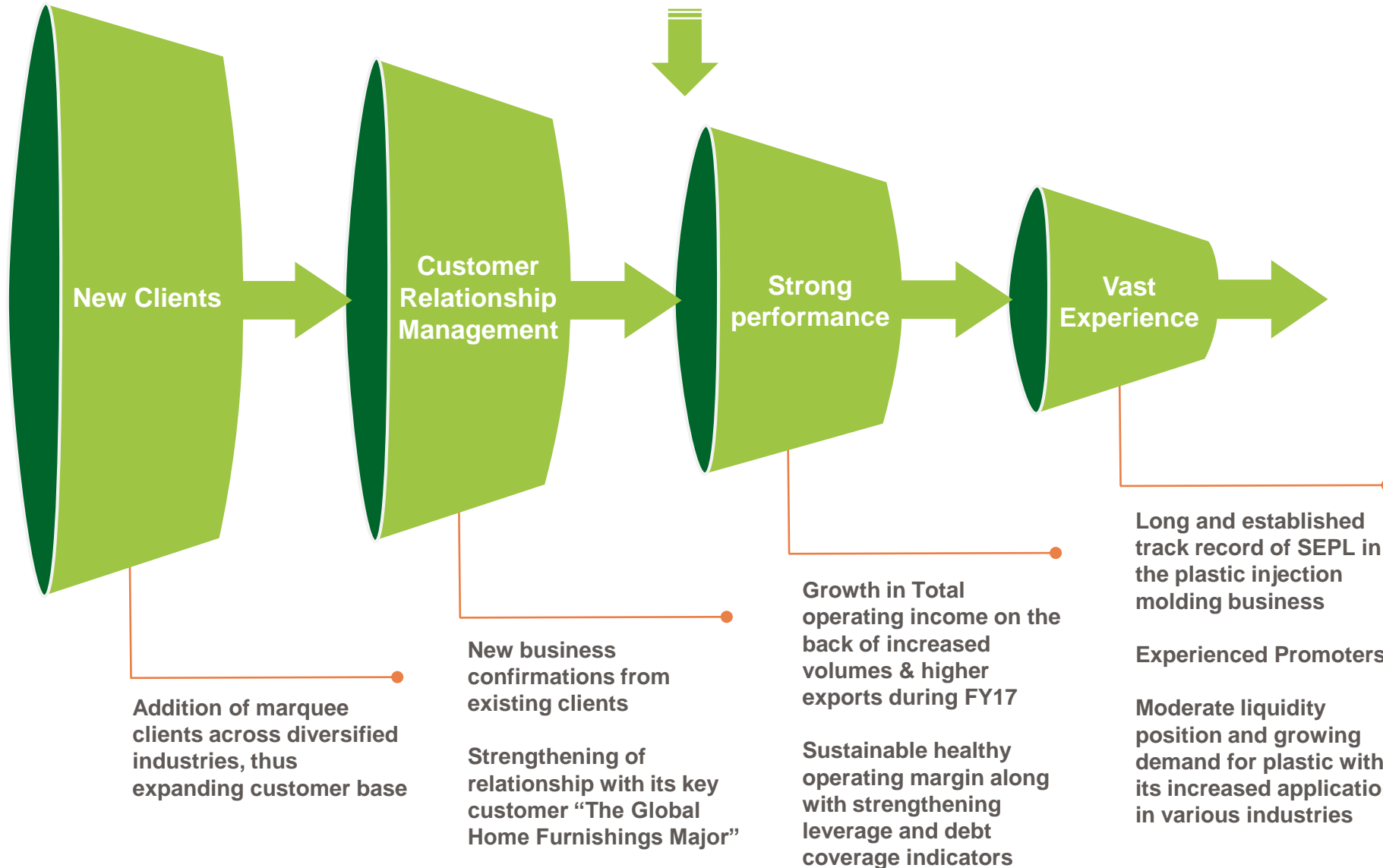
FCFF to EBITDA (%)



- 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 growth expected in FY20 and FY21

*As per IndAS
On Annualised basis

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



Company :

Investor Relations Advisors :

Shaily Engineering Plastics Ltd.
CIN – L51900GJ1980PLC065554

Strategic Growth Advisors Pvt. Ltd.
CIN - U74140MH2010PTC204285

Mr. Sanjay Shah, Chief Strategy Officer
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Thank you