

**SEPL/SE/Feb/20-21**  
**February 06, 2021**

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

**Sub : Q3 & 9M FY21 Result Presentation**

**Ref : Regulation 30 of the SEBI Listing Regulations, 2015**

**Dear Sir,**

In continuation to our letter dated 03<sup>rd</sup> February, 2021 regarding intimation of Earnings Call of the Company scheduled on Monday, 08<sup>th</sup> February, 2021 to discuss the operational & financial performance of the Company for the quarter and nine months ended on 31<sup>st</sup> December, 2020, kindly find enclosed herewith **Q3 & 9M FY21 Result Presentation** of the Company.

A copy of the same is also available on our website [www.shaily.com](http://www.shaily.com).

Kindly take the same on record.

Thanking You.

Yours truly,  
**For Shaily Engineering Plastics Limited**

  
**Preeti Sheth**  
  
**Asst. Company Secretary**  
ACS36624

Encl : a/a

**Shaily Engineering Plastics Ltd**

# **Q3FY21 Result Update Presentation**

**Saturday, 6<sup>th</sup> 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

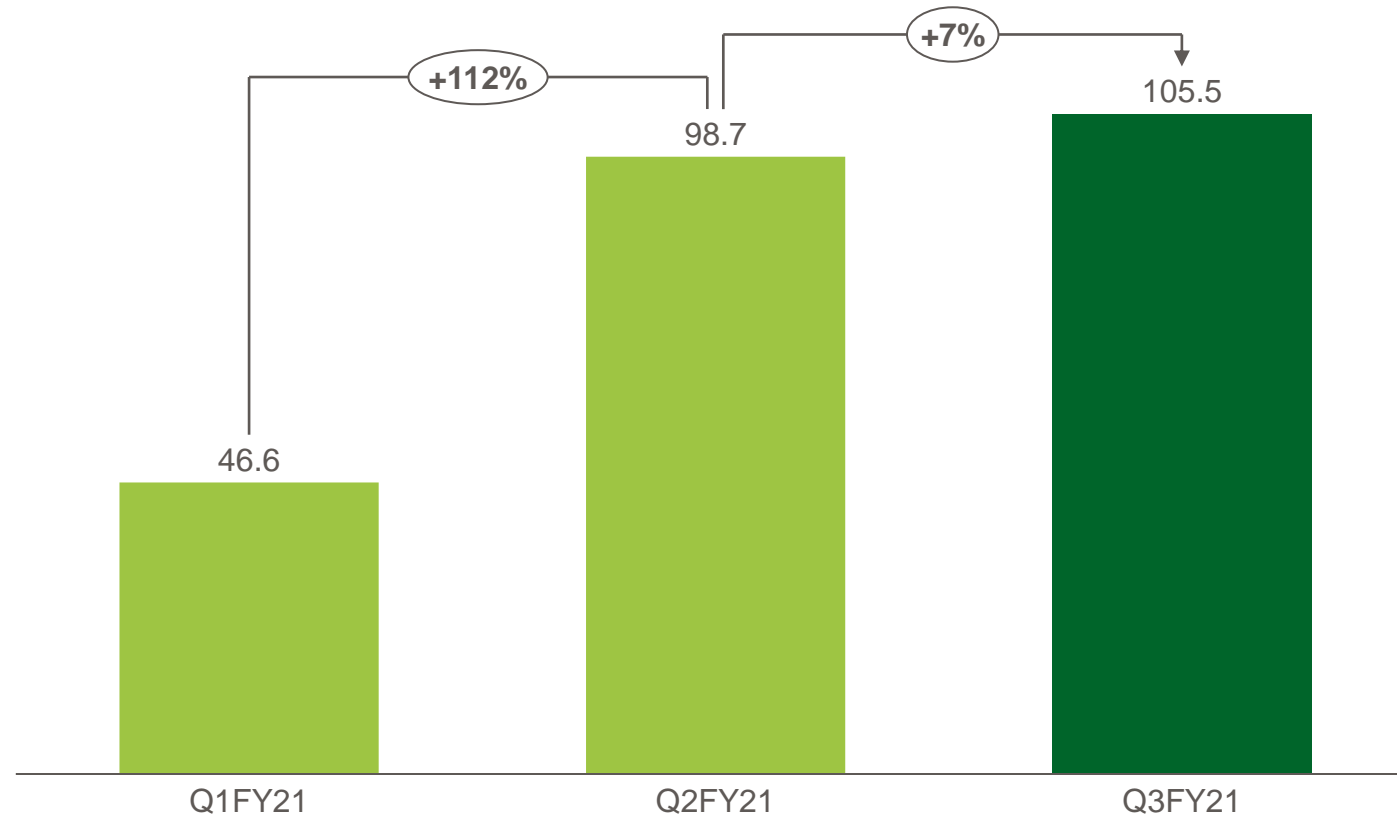
## Expansion of Capacity

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

# Witnessed strong Revenue recovery



(Rs. Cr.)

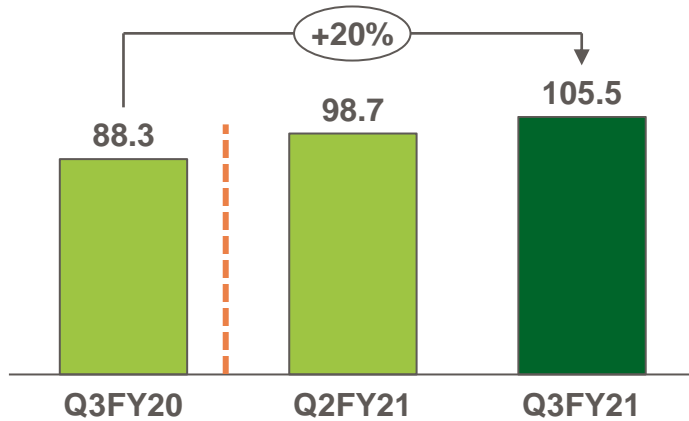


Commercialization of orders, bagged in FY20, led to recovery and sustained uptick in Revenues

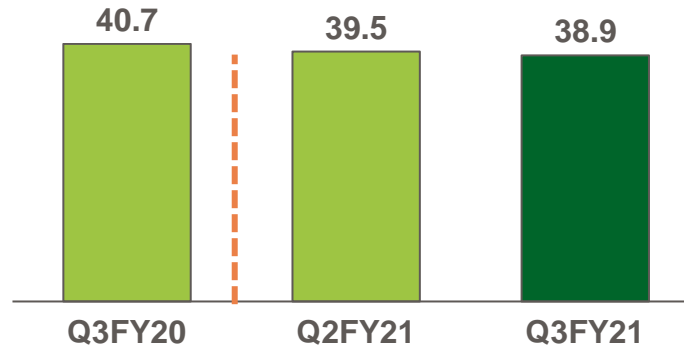
# Key Financial Highlights – Q3FY21



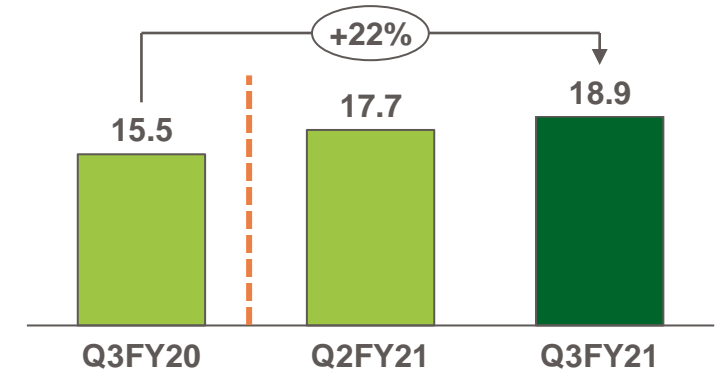
(Rs. Cr.) Revenue



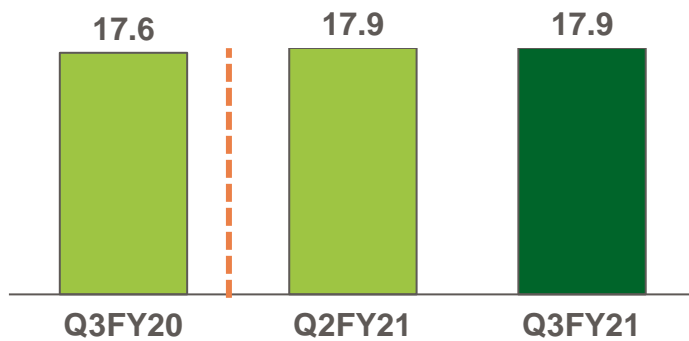
Gross Margin %



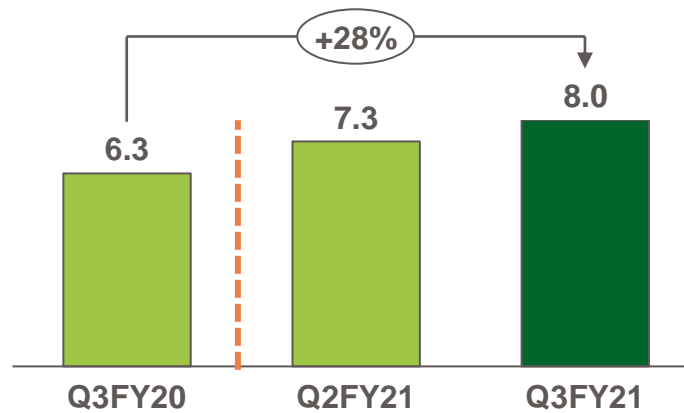
(Rs. Cr.) EBITDA



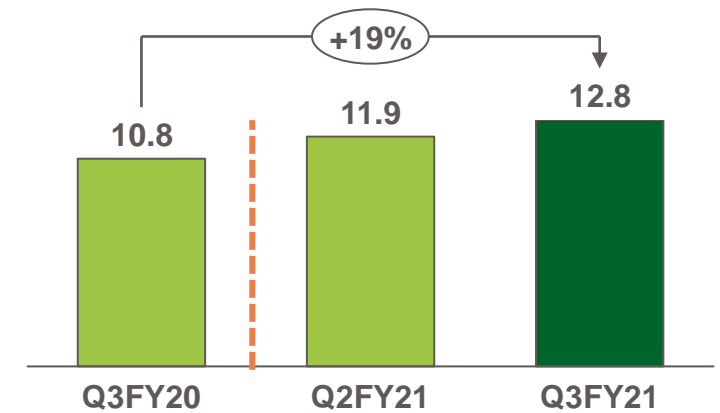
EBITDA Margin %



(Rs. Cr.) PAT



(Rs. Cr.) Cash PAT #

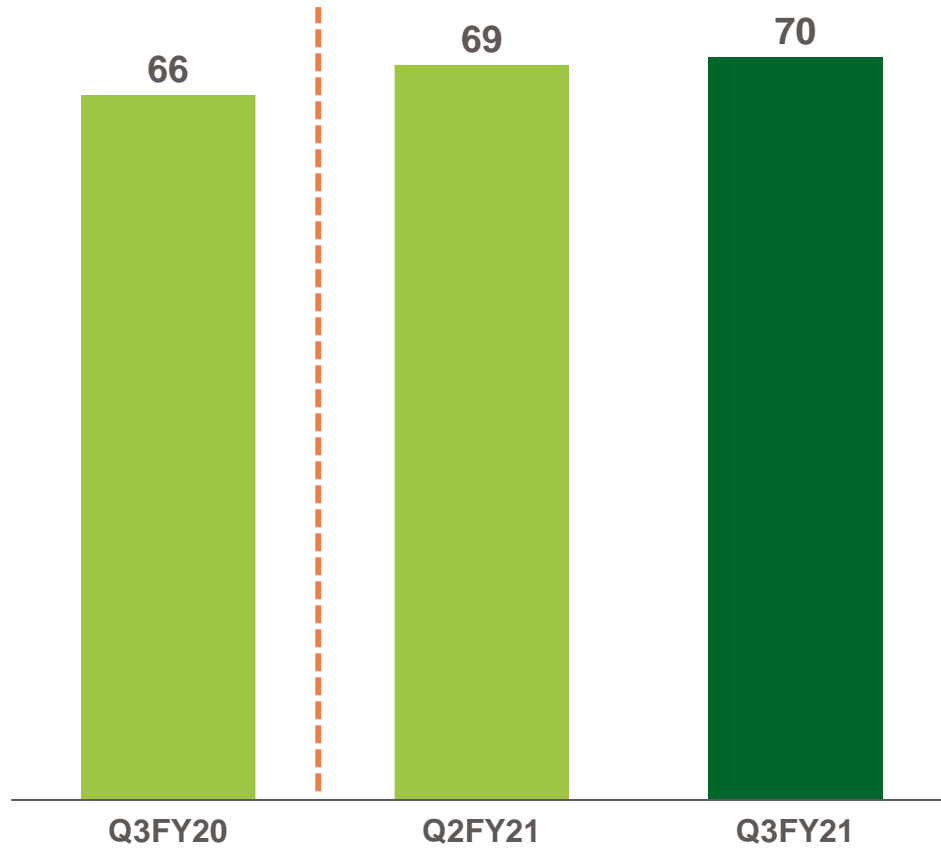


# Cash PAT includes PAT & Depreciation

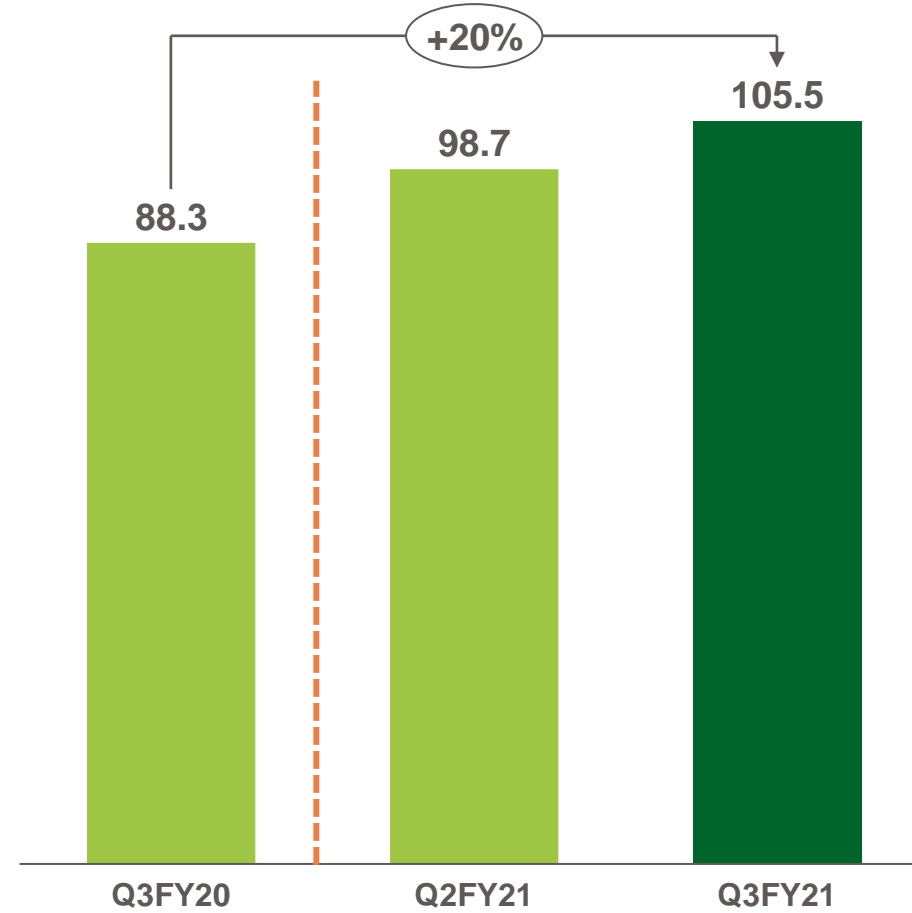
# Machine Utilization – Across Plants



### Machine Utilization (%)

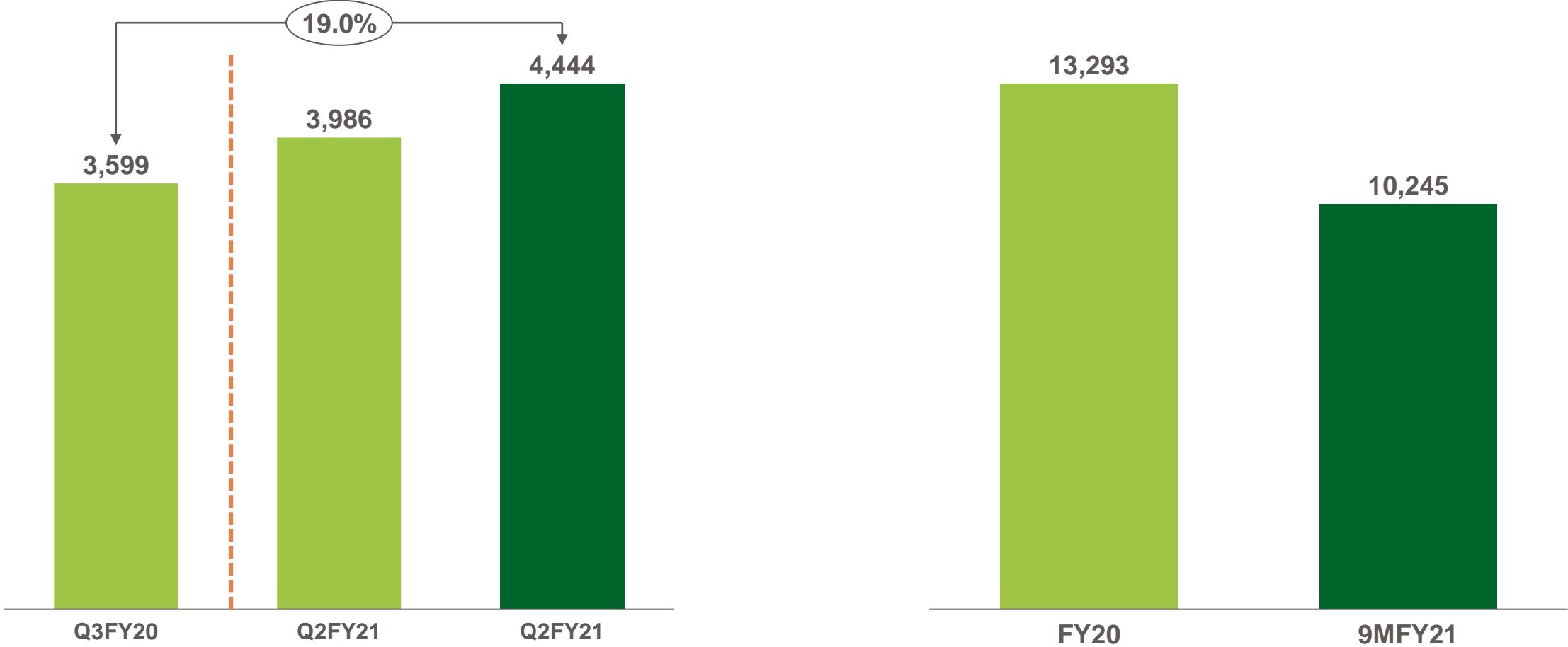


### Revenue (Rs. In Crs)





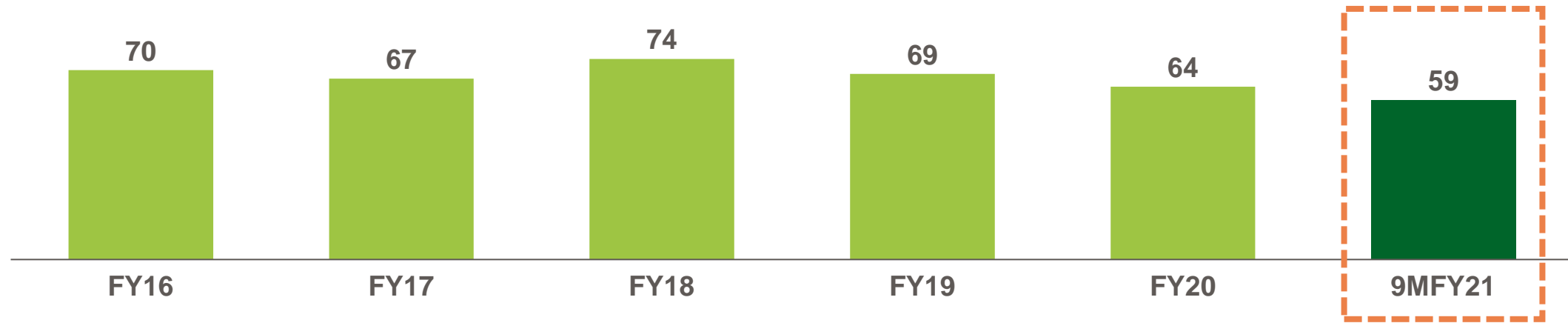
# Volume of Polymers Processed



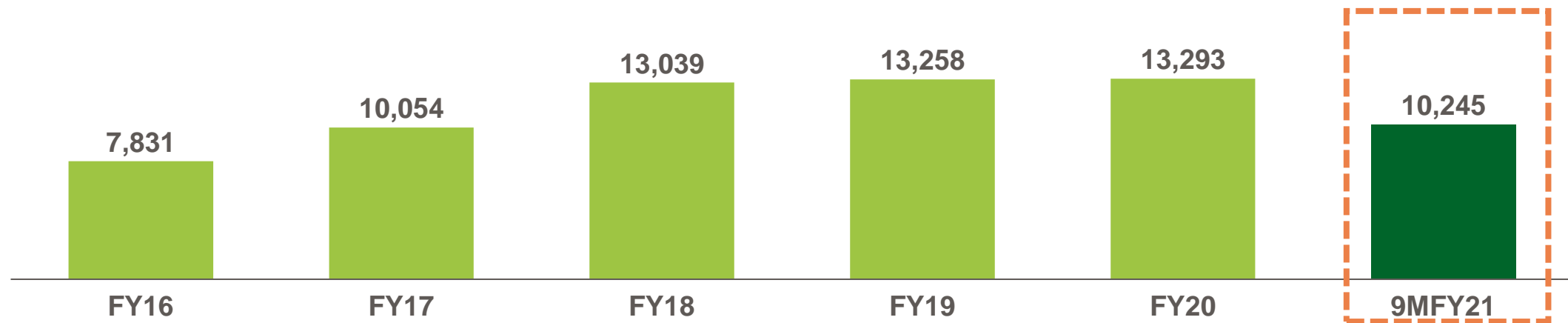
Volume in Tons

Figures are rounded off

## Machine Utilization (%)



## Volumes of Polymers Processed (MT)

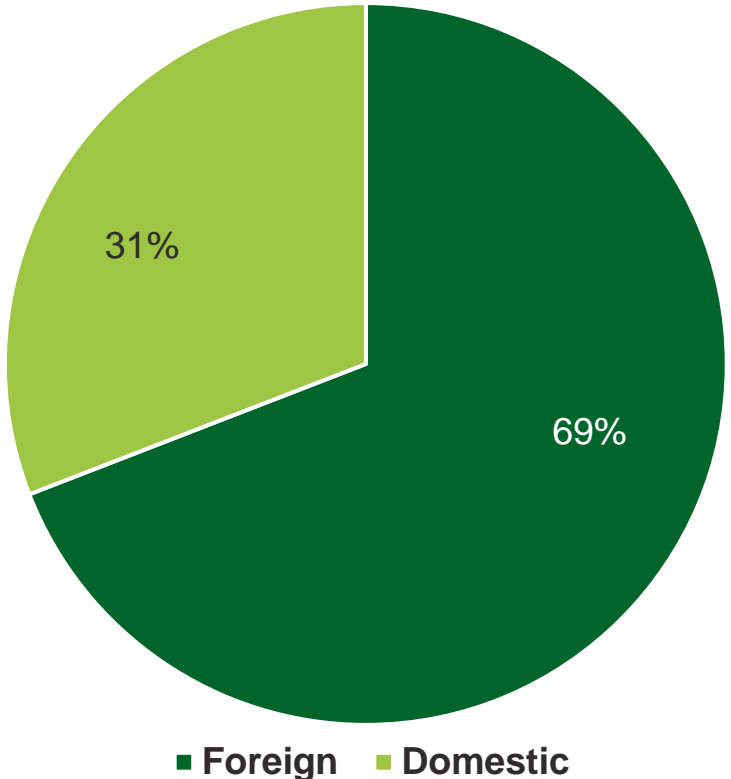


# Revenue Analysis - Domestic Vs. Exports



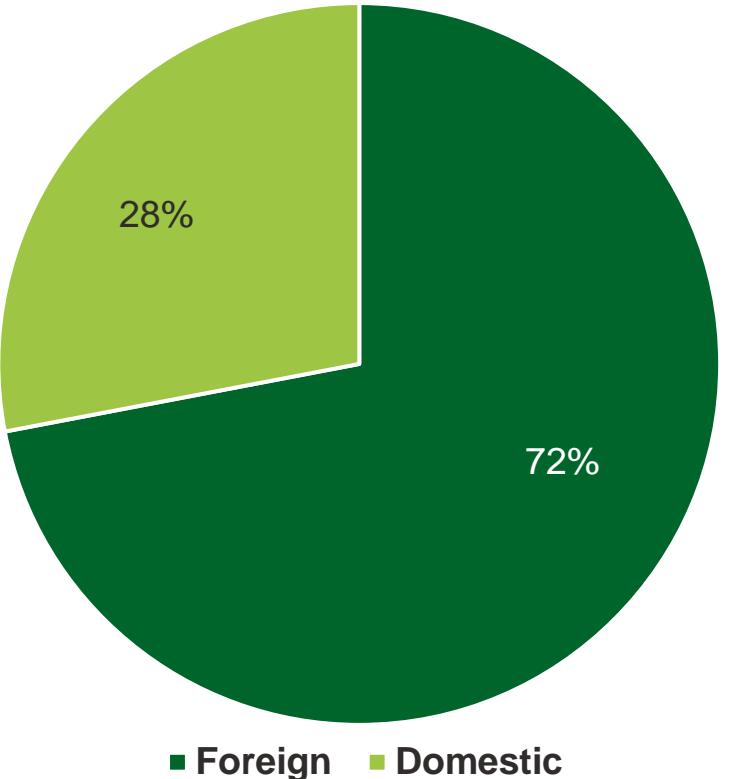
9MFY20

Sales



9MFY21

Sales



Figures are rounded off

# Income Statement



Particulars (Rs. Cr.)	Q3FY21	Q3FY20	YoY %	Q2FY21	QoQ %	9MFY21	9MFY20	YoY %	FY20
<b>Revenue</b>	<b>105.5</b>	<b>88.3</b>	<b>19.6%</b>	<b>98.7</b>	<b>6.9%</b>	<b>250.8</b>	<b>256.4</b>	<b>-2.2%</b>	<b>336.0</b>
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
<b>EBITDA</b>	<b>18.9</b>	<b>15.5</b>	<b>21.9%</b>	<b>17.7</b>	<b>6.9%</b>	<b>40.1</b>	<b>44.1</b>	<b>-9.2%</b>	<b>59.1</b>
<b>EBITDA Margin</b>	<b>17.9%</b>	<b>17.6%</b>		<b>17.9%</b>		<b>16.0%</b>	<b>17.2%</b>		<b>17.6%</b>
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
<b>PBT</b>	<b>10.7</b>	<b>8.7</b>	<b>23.7%</b>	<b>10.0</b>	<b>7.2%</b>	<b>16.7</b>	<b>23.2</b>	<b>-27.8%</b>	<b>30.7</b>
<b>PBT Margin</b>	<b>10.2%</b>	<b>9.8%</b>		<b>10.1%</b>		<b>6.7%</b>	<b>9.0%</b>		<b>9.1%</b>
Tax	2.7	2.4		2.7		4.4	6.5		7.1
<b>PAT</b>	<b>8.0</b>	<b>6.3</b>	<b>27.7%</b>	<b>7.3</b>	<b>9.5%</b>	<b>12.3</b>	<b>16.6</b>	<b>-26.0%</b>	<b>23.6</b>
<b>PAT Margin</b>	<b>7.6%</b>	<b>7.1%</b>		<b>7.4%</b>		<b>4.9%</b>	<b>6.5%</b>		<b>7.0%</b>
<b>Cash PAT<sup>^</sup></b>	<b>12.8</b>	<b>10.8</b>	<b>18.7%</b>	<b>11.9</b>	<b>7.3%</b>	<b>26.2</b>	<b>29.9</b>	<b>-12.2%</b>	<b>41.5</b>
<b>Cash PAT Margin</b>	<b>12.1%</b>	<b>12.2%</b>		<b>12.1%</b>		<b>10.5%</b>	<b>11.6%</b>		<b>12.3%</b>

<sup>^</sup> Cash PAT = PAT + Depreciation

\* Other Expenses include Power & Fuel costs

# Balance Sheet



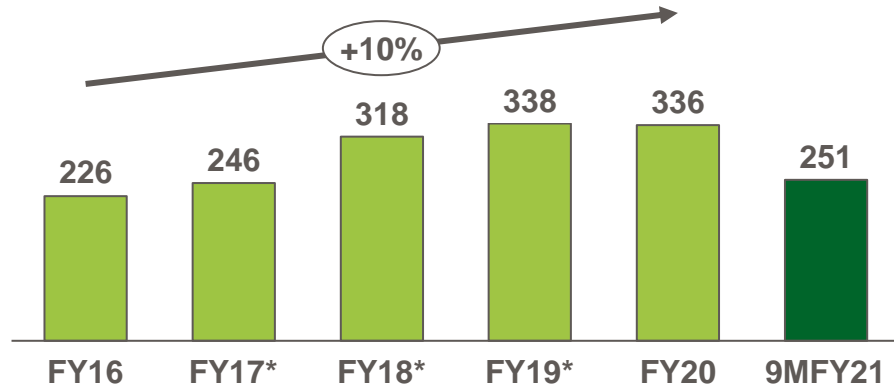
Particulars in (Rs. Cr.)	Sep-20	Mar-20
<b>Assets</b>		
<b>Non-current Assets</b>	<b>240.4</b>	<b>220.9</b>
<b>Fixed Assets</b>		
Property Plant & Equipment	154.2	154.9
Capital WIP	52.9	37.2
Intangible Assets	12.1	10.9
<b>Financial Assets</b>		
Investments	0.0	0.2
Loans & Advances	0.5	0.5
Other Non-current Assets	15.3	14.0
Income Tax assets (net)	5.4	3.2
<b>Current Assets</b>	<b>162.3</b>	<b>160.6</b>
Inventories	43.8	49.7
<b>Financial Assets</b>		
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
<b>Total Assets</b>	<b>402.7</b>	<b>381.5</b>

Particulars (Rs. Cr.)	Sep-20	Mar-20
<b>Equity &amp; Liabilities</b>		
<b>Equity</b>	<b>162.9</b>	<b>159.4</b>
Share Capital	8.3	8.3
Other Equity	154.5	151.1
<b>Non-Current Liabilities</b>	<b>100.5</b>	<b>81.3</b>
<b>Financial Liabilities</b>		
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
<b>Current Liabilities</b>	<b>139.38</b>	<b>140.8</b>
<b>Financial Liabilities</b>		
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
<b>Total Equity &amp; Liabilities</b>	<b>402.7</b>	<b>381.5</b>

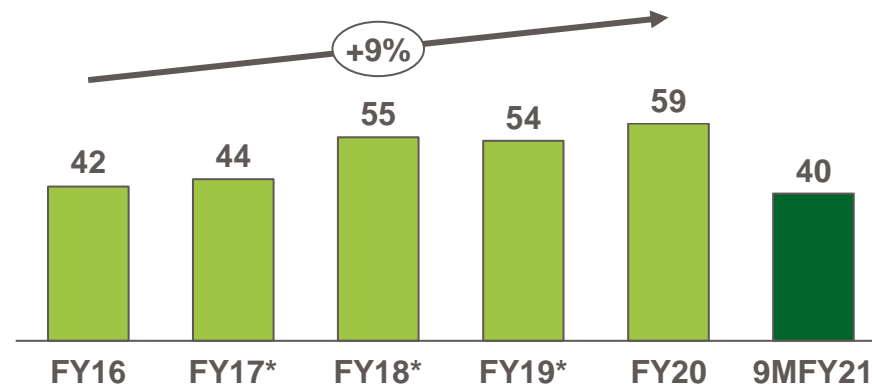
# Delivering PROFITABLE GROWTH



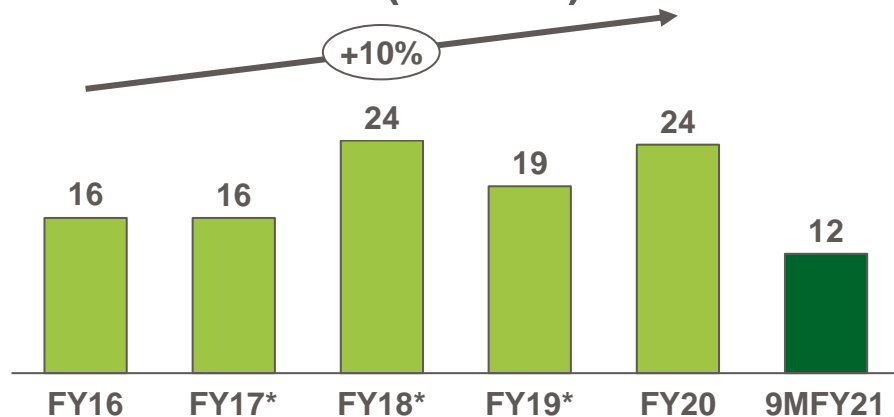
**Revenue (Rs. In Crs)**



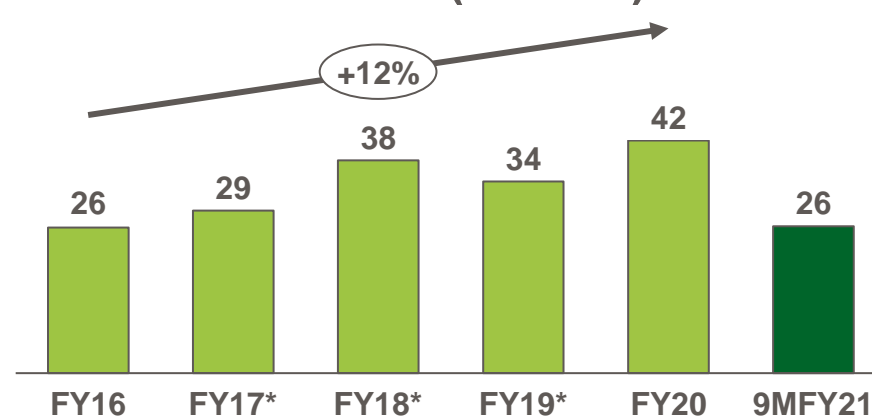
**EBITDA (Rs. In Crs)**



**PAT (Rs. In Crs)**



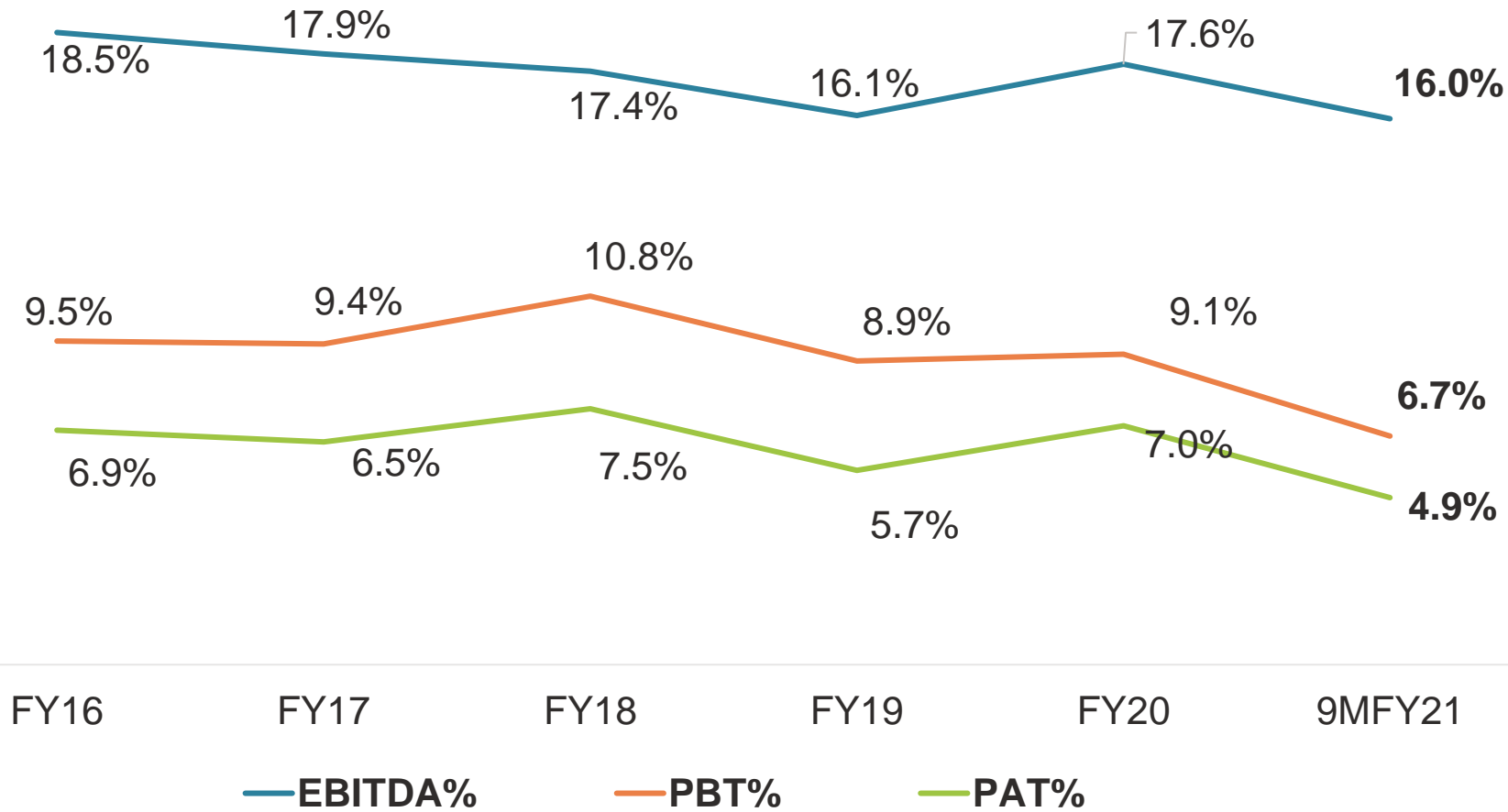
**Cash PAT (Rs. In Crs)**



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

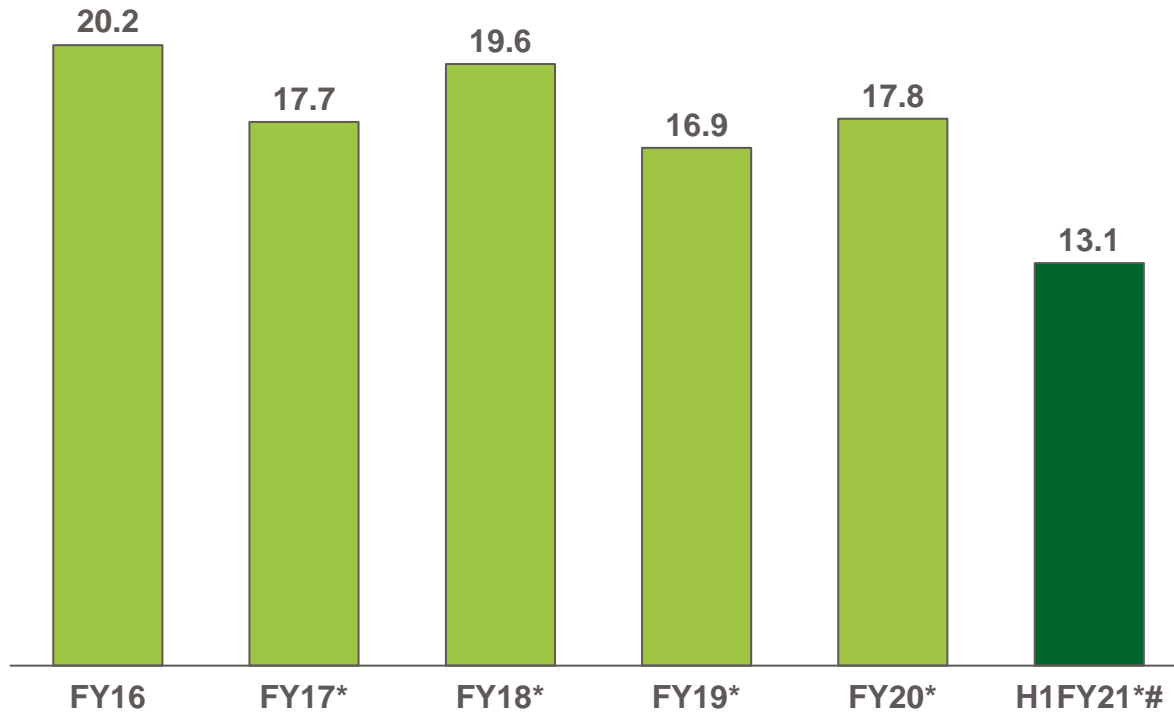
- Reported record EBITDA in FY20 on back of higher contribution from Healthcare segment

# MARGIN Profile

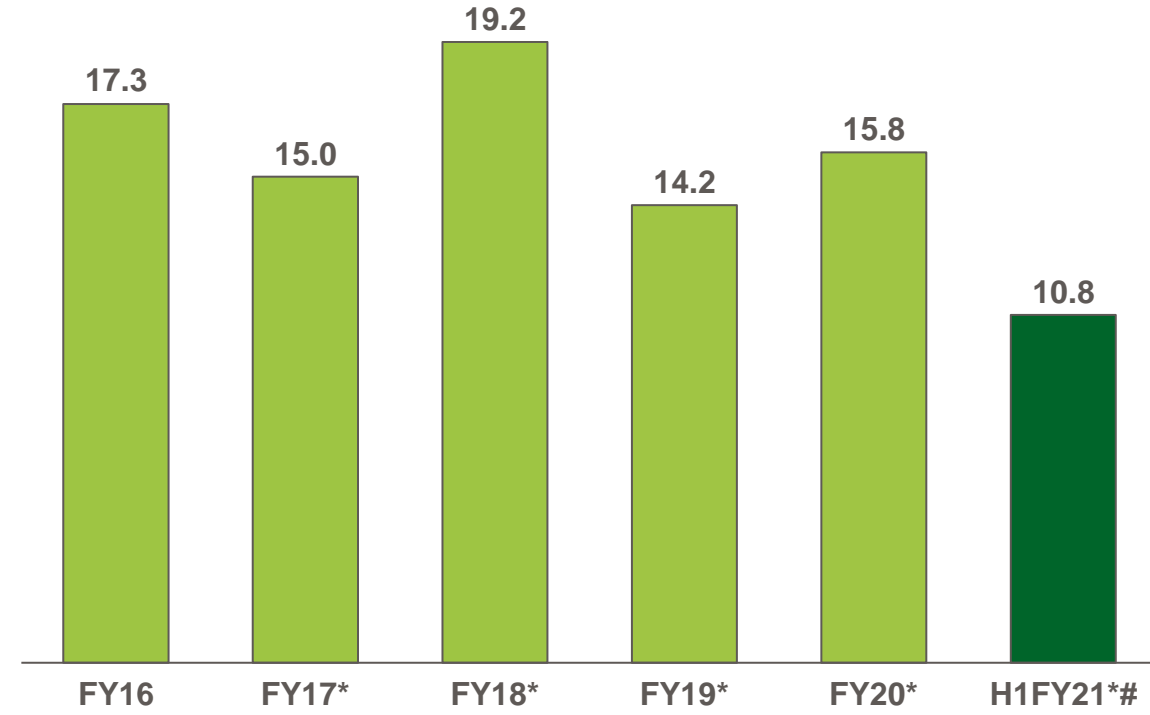


- Better Product mix and economies of scale on account of raw materials have led to improvement in margin profile from FY16 to FY20
- FY19 margin was profile impacted on account of labor shortage, power disruptions and change in ordering policy from a key client
- Witnessed improvement in margin in FY20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

### ROCE (%)



### ROE (%)



\*As per IndAS  
# Annualised



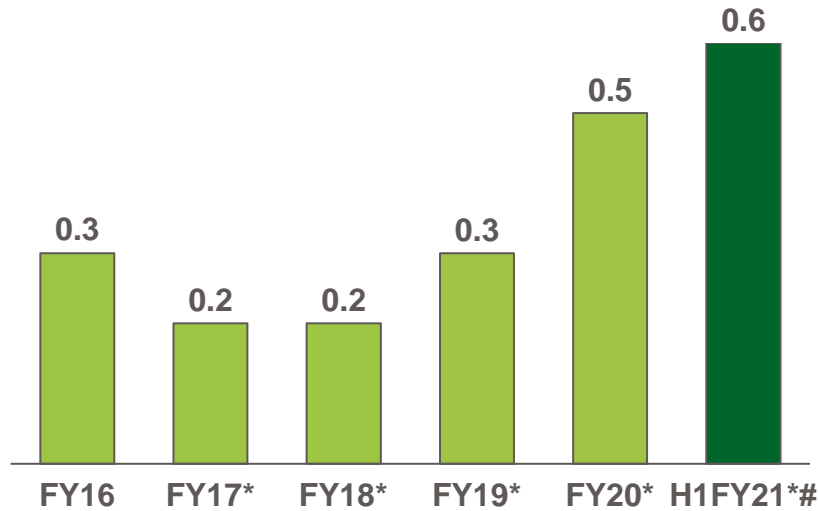
# Growth Along With Low Leverage



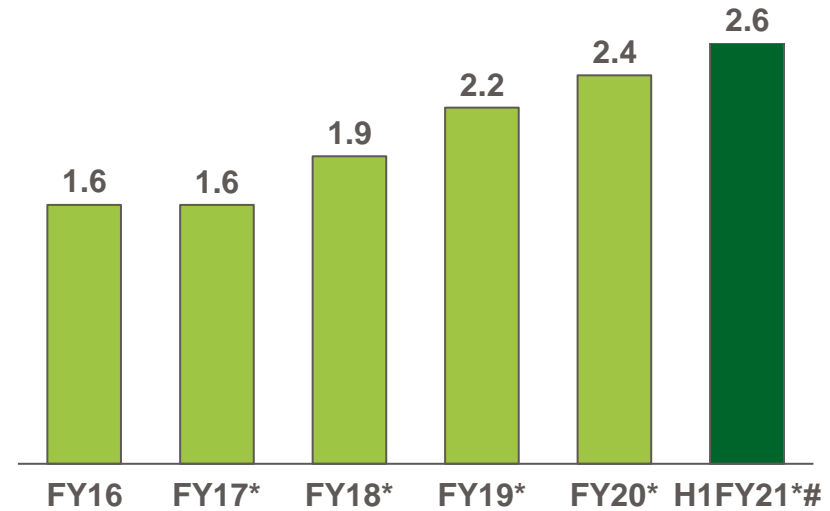
### Total Debt : Equity (x)



### Long Term Debt : Equity (x)



### Total Debt : EBITDA (x)

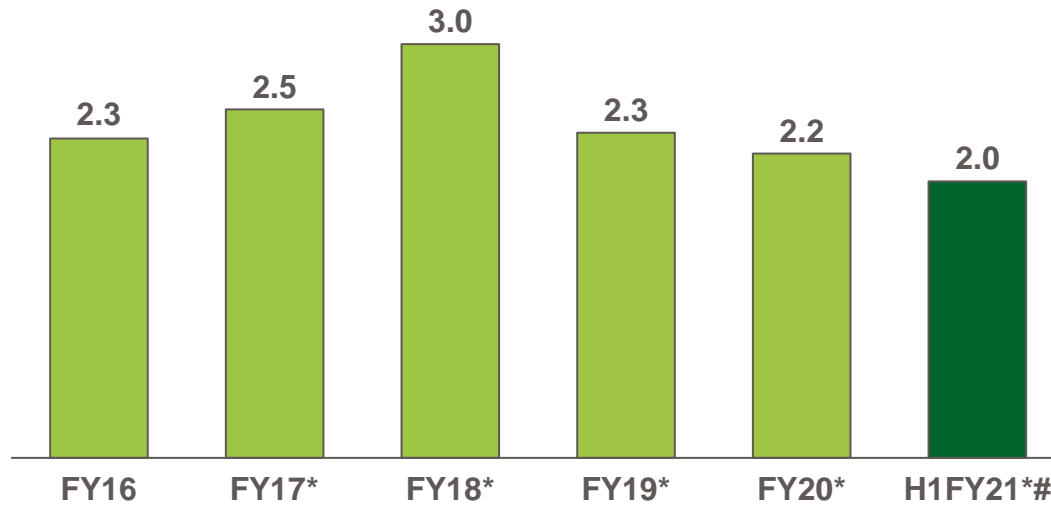


- The growth in Business has been achieved with disciplined use of capital
- The internal accruals also been utilized towards scheduled repayments of Long-term loans, which have positively impacted the credit rating therefore the borrowing costs

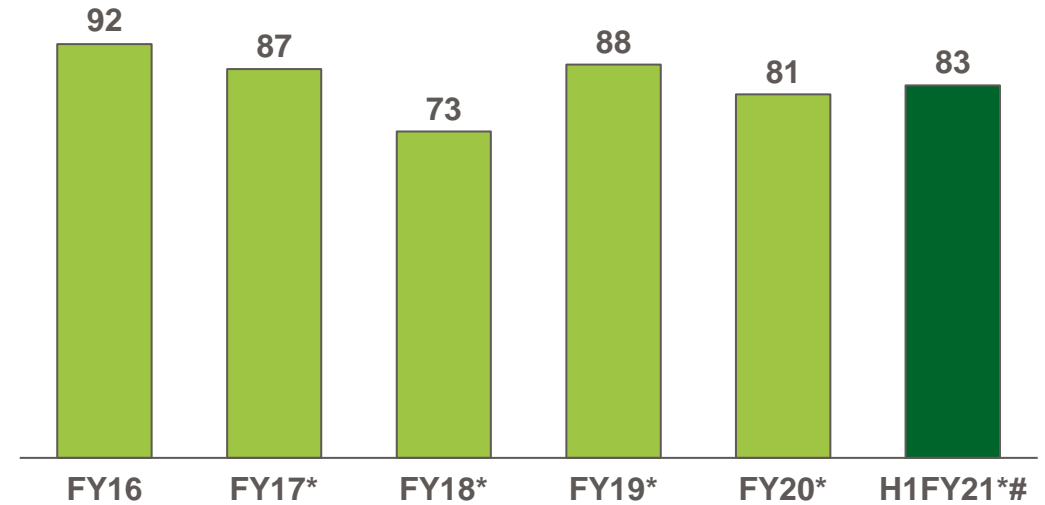
# Strong Focus on Improving Our Key Metrics



### 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

\*As per IndAS  
# Annualised

## 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



**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%** ↑

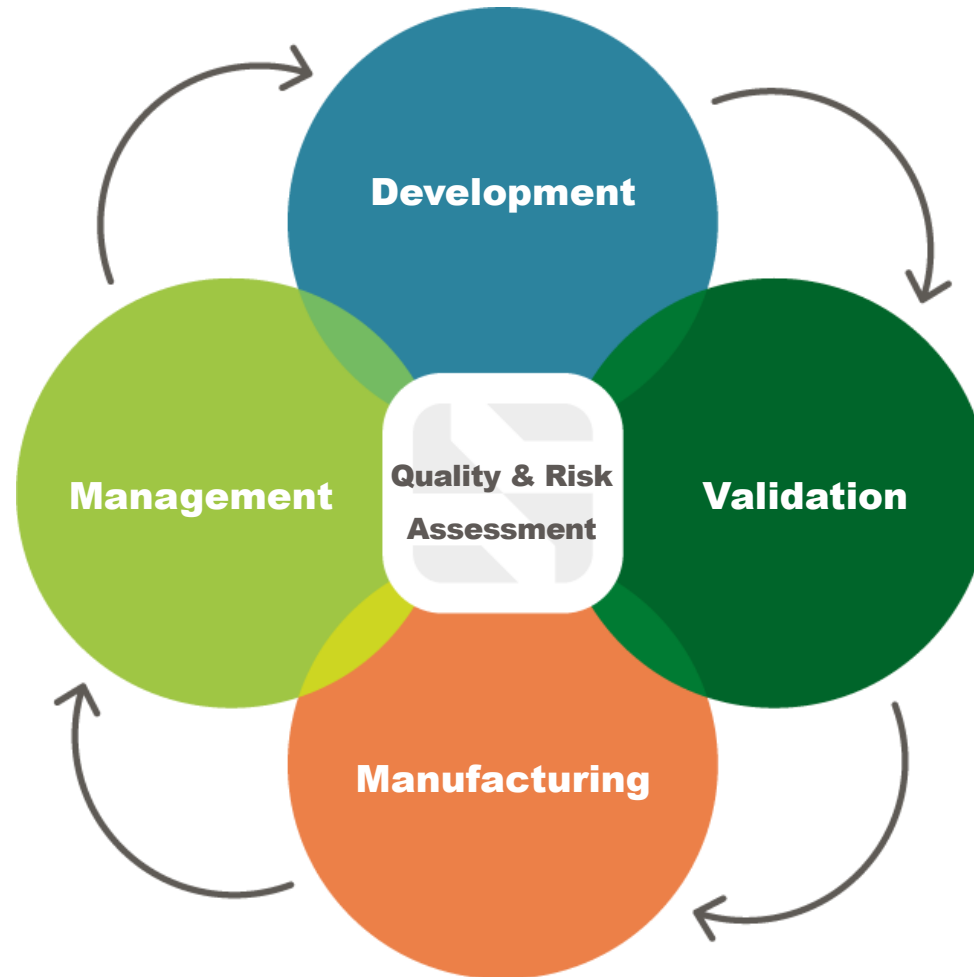


## Management

- 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



## 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



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

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