



SIGACHI INDUSTRIES LIMITED

CIN: U24110TG1989PLC009497

AN EXCiPACT GMP, ISO 9001:2015 & FSSC 22000 CERTIFIED COMPANY



To,

Date: 27.10.2022

The Manager BSE Limited P. J. Towers, Dalal Street Mumbai-400001 (BSE Scrip Code: 543389)	The Manager, NSE Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai- 400051. (NSE Symbol: SIGACHI)
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Dear Sir/Madam,

Sub: Earnings Presentation on Q2 FY 23 Results

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) 2015, and with reference to the subject cited, please find enclosed Presentation on Earnings for Q2 FY 2023 results. The same is also uploaded on the website of the Company www.sigachi.com.

This is for your information and records.

Thanking You,

Yours faithfully
For Sigachi Industries Limited

SHREYA Digitally signed
by SHREYA MITRA
MITRA Date: 2022.10.27
16:23:01 +05'30'

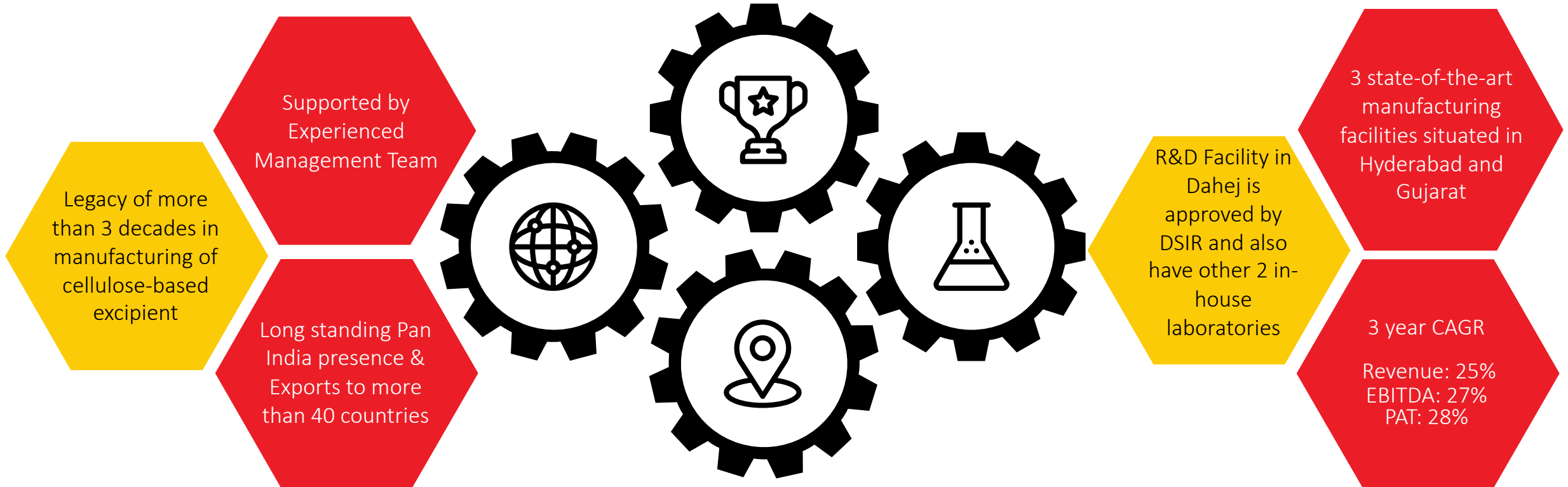
Shreya Mitra
Company Secretary and Compliance Officer



Sigachi Industries Limited

Earnings Presentation

Q2/H1-FY23

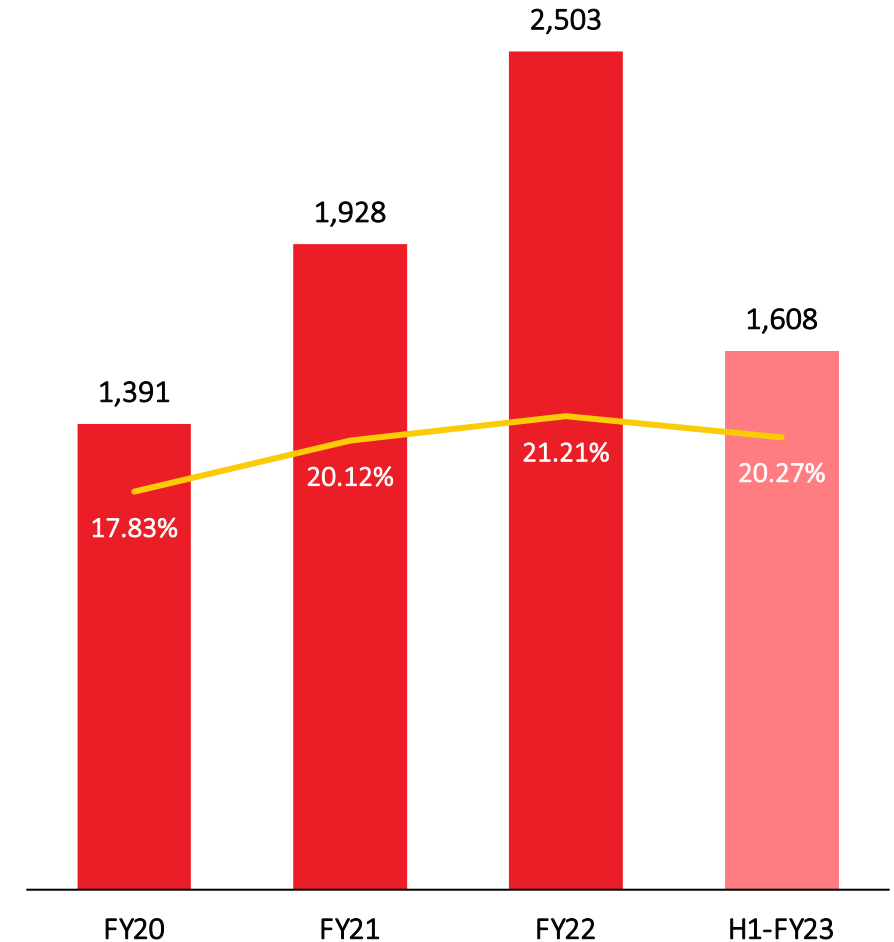




Company Overview

- Sigachi Industries Limited (Sigachi), incorporated in the year 1989, is one of the leading manufacturers of Micro Crystalline Cellulose (MCC) in the world.
- Sigachi manufactures high-quality cellulose-based excipients, which predominantly find usage in the pharmaceutical, supplement and food industries.
- The company has created a niche in manufacturing highly innovative pre-formulated excipients & 60+ widely used excipients of international quality standards.
- With two facilities in Gujarat and one in Telangana, Sigachi ensures supply chain reliability for its customers in India and across the globe.
- Sigachi has a global sales and distribution network and exports to more than 40 countries across Asia, Australia, American Continent, Europe and Middle East.
- From its state-of-the-art R & D facility the company ensures continuous innovation to efficiently meet evolving customer demands.
- The company also has an agreement with Gujarat Alkalies and Chemicals Limited (“GACL”) for operating and managing the manufacturing units owned by GACL and for contract manufacturing of sodium chlorate, stable bleaching powder and poly aluminum chloride.

Revenue (INR Mn) & EBITDA Margins (%)



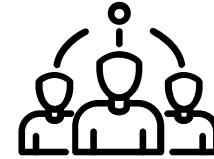


Key Strengths



One of the leading manufacturers of MCC in India with over 30 years' experience:

- Made advancements in development of MCC and positioned as one of the key manufacturing players globally
- Technical capabilities, capable R&D Division and manufacturing infrastructure, gives a first mover advantage in India



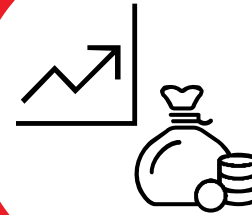
Presence across diverse industry verticals with long standing relationship with customers :

- Customization of products based on customer specifications and requirements
- Track record of consistent delivery of quality and cost-effective products and solutions through strategic alignment of key customers' goals over the years



Pan India and International market presence:

- A long-standing market presence in India and internationally
- Export products to 41 countries including Australia, USA, South America, U.K., Poland, Italy, Denmark, China, Colombia, Bangladesh, to name a few



Growth led by continuous investment and focus on R&D:

- Regular investments in R&D to expand the product offerings and to streamline manufacturing process
- 2 R&D Division and 2 in-house laboratories
- The laboratory in the Jhagadia R&D Division has been approved and has received an accreditation by DSIR to undertake R&D activities



Comprehensive product portfolio enables to serve diverse end-use applications:

- Customize the usage and application of the products to various industries including but not limited to pharmaceutical, food, nutraceuticals and cosmetics
- Manufacture MCC in various grades ranging from 15 microns to 250 microns



Strategically located manufacturing facilities

- Set up 3 multi locational manufacturing units namely, Hyderabad, Telangana ("Unit I"), Jhagadia, Gujarat ("Unit II") and Dahej, Gujarat ("Unit III") which helps provide timely, efficient and customized delivery of the products in terms with the specific demographic needs



Strategy going forward

Diversifying Product Mix:

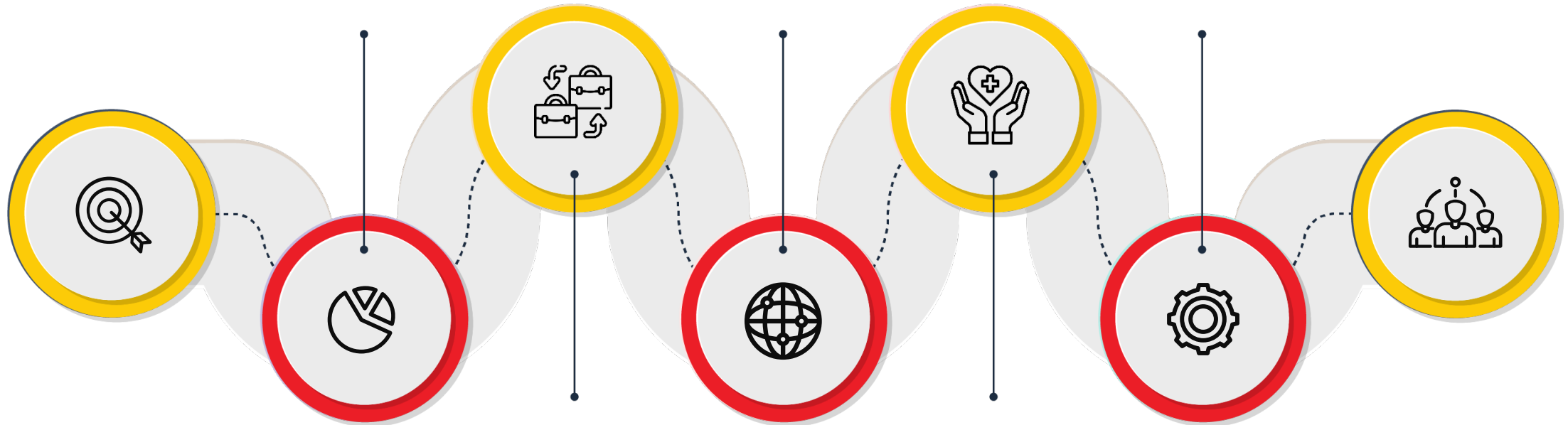
Manufacturing higher grades of products as well as enhancing product basket by offering innovative new value-added products

Enhancing global footprint:

Increasing market share by exploring untapped markets

Expanding manufacturing capacities:

At Dahej and Jhagadia to focus on the growing demand of MCC, setting up a new unit at Kurnool to manufacture CCS



Increasing focus on core business segment:

Pushing efforts towards manufacturing MCC and its various grades for various industries or applications leading to optimum resource utilization

Widen its horizon:

Company will venture into the human nutritional segment, with a prime focus on B2B markets, in India and across the globe. The product portfolio will include spray-dried ingredients, micronutrient premixes and other allied products.

Launch of Health Care Division :

Capture the growing OTC market and cater to the increasing health expenditure in India due to the pandemic with focus to increase brand extension through launch of various products in the healthcare sector

Ensuring that the customer base increases through marketing efforts:

Enhancing customer base through marketing efforts and customizing products for various applications as per requirements of customers



Financial Overview

Q2-FY23 Financial Highlights

<p>INR 825 Mn Operating Income <i>+44% YoY</i></p>	<p>INR 163 Mn Operating EBITDA <i>+21% YoY</i></p>	<p>19.76% Operating EBITDA Margins <i>-384 Bps YoY</i></p>
<p>INR 136 Mn Net Profit <i>+37% YoY</i></p>	<p>16.48% PAT Margins <i>-82 Bps YoY</i></p>	<p>INR 4.42/Share Diluted EPS <i>+3% YoY</i></p>

H1-FY23 Financial Highlights

<p>INR 1,608 Mn Operating Income <i>+43% YoY</i></p>	<p>INR 326 Mn Operating EBITDA <i>+27% YoY</i></p>	<p>20.27% Operating EBITDA Margins <i>-266 Bps YoY</i></p>
<p>INR 264 Mn Net Profit <i>+40% YoY</i></p>	<p>16.42% PAT Margins <i>-44 Bps YoY</i></p>	<p>INR 8.59/Share Diluted EPS <i>+5% YoY</i></p>

- Revenue growth driven by increased demand for MCC across all industries, with volume growth of ~8.5% and realisation growth of ~25% in Q2-FY23 on a YOY basis.
- Decline in EBITDA margins in Q2-FY23 on a YOY and QOQ basis was due to higher raw material costs and increase in costs on new business initiatives of OTC and Nutraceuticals which are in nascent stage of launch and hence contribution to margins are low currently.
- Export sales increased by about 40% to INR 113.20 Cr in H1-FY23 as compared to INR 80.87 Cr in H1-FY22.
- Capacity utilization increased to 94.50% in H1-FY23 as compared to 93.27% in FY22.
- Company successfully passed on freight & raw material increases to the customers.
- Company expects the growth trend to continue with current profitability at sustainable levels.
- Furthermore, capacities of around 7,000MT will be added during the latter part of FY23 which will contribute to additional revenue growth in the coming financial years.
- Company is constantly thriving to improve on its R&D capabilities and cost-effective manufacturing processes and there by remain as a manufacturer of choice with highest quality standards.



Quarterly Consolidated Financial Performance

Particulars (INR Mn)	Q2-FY23	Q2-FY22	Y-o-Y	Q1-FY23	Q-o-Q
Operational Revenue	825	572	44.2%	783	5.4%
Total Expenses	662	437	51.5%	620	6.8%
EBITDA	163	135	20.7%	163	NA
<i>EBITDA Margin (%)</i>	<i>19.76%</i>	<i>23.60%</i>	<i>(384) Bps</i>	<i>20.82%</i>	<i>(106) Bps</i>
Depreciation and amortisation	21	8	NA	8	NA
Finance costs	12	2	NA	5	NA
Other Income	22	2	NA	16	37.5%
PBT	152	128	18.8%	166	(8.4)%
Tax Expense	16	29	(44.8)%	38	(57.9)%
PAT	136	99	37.4%	128	6.25%
<i>PAT Margin (%)</i>	<i>16.48%</i>	<i>17.30%</i>	<i>(82) Bps</i>	<i>16.35%</i>	<i>13 Bps</i>
Diluted EPS	4.42	4.28	3.27%	4.17	6.0%



Half Yearly Consolidated Financial Performance

Particulars (INR Mn)	H1-FY23	H1-FY22	Y-o-Y
Operational Revenue	1,608	1,121	43.4%
Total Expenses	1,282	864	48.3%
EBITDA	326	257	26.8%
<i>EBITDA Margin (%)</i>	<i>20.27%</i>	<i>22.93%</i>	<i>(266) Bps</i>
Depreciation and amortisation	29	14	NA
Finance costs	17	4	NA
Other Income	38	4	NA
PBT	318	243	30.9%
Tax Expense	54	54	NA
PAT	264	189	39.7%
<i>PAT Margin (%)</i>	<i>16.42%</i>	<i>16.86%</i>	<i>(44) Bps</i>
Diluted EPS	8.59	8.18	5.0%



Historical Consolidated Financial Performance

Particulars (INR Mn)	FY20	FY21	FY22	H1-FY23
Operational Revenue	1,391	1,928	2,503	1,608
Total Expenses	1,143	1,540	1,972	1,282
EBITDA	248	388	531	326
<i>EBITDA Margin (%)</i>	<i>17.83%</i>	<i>20.12%</i>	<i>21.21%</i>	<i>20.27%</i>
Depreciation and amortisation	20	23	29	29
Finance costs	23	13	12	17
Other Income	48	33	26	38
PBT	253	385	516	318
Tax Expense	50	82	116	54
PAT	203	303	400	264
<i>PAT Margin (%)</i>	<i>14.59%</i>	<i>15.72%</i>	<i>15.98%</i>	<i>16.42%</i>
Diluted EPS	8.81	13.13	15.44	8.59



Historical Consolidated Balance Sheet

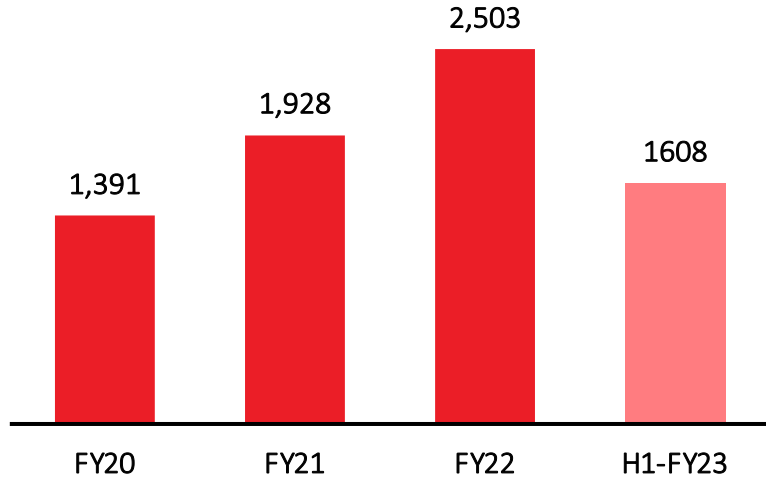


Particulars (INR Mn)	FY20	FY21	FY22	H1-FY23
EQUITY	646	942	2,277	2,504
Equity Share Capital	77	77	307	307
Other Equity	569	865	1,970	2,197
NON-CURRENT LIABILITIES	55	70	76	295
a) Financial Liabilities				
i) Borrowings	19	19	12	10
ii) Lease Liability	-	-	-	231
b) Provisions	7	8	9	8
c) Deferred tax liabilities (net)	29	43	55	46
CURRENT LIABILITIES	390	322	515	727
a) Financial Liabilities				
i) Borrowings	270	183	332	384
ii) Lease Liabilities	-	-	-	36
iii) Trade Payables	72	80	106	215
iv) Other financial liabilities	14	7	6	5
b) Other current liabilities	33	43	59	69
c) Provisions	1	9	12	18
TOTAL LIABILITIES	445	392	591	1,022
TOTAL EQUITY AND LIABILITIES	1,091	1,334	2,868	3,525

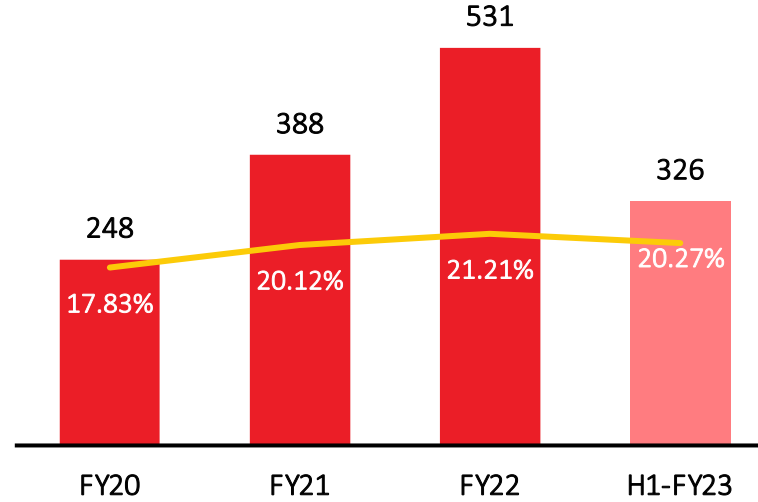
Particulars (INR Mn)	FY20	FY21	FY22	H1-FY23
NON-CURRENT ASSETS	371	463	1,069	1,882
a) Property, plant and equipment	312	376	527	794
b) Capital work-in-progress	31	37	97	177
c) Right of Use Assets	-	-	-	260
c) Intangible assets	4	3	7	7
d) Financial assets				
i) Investments	-	2	2	2
ii) Other Financial Assets	14	18	351	479
e) Other non-current assets	10	27	85	164
CURRENT ASSETS	720	871	1,799	1,643
a) Financial Assets				
i) Trade Receivables	276	358	601	791
ii) Cash and cash equivalents	88	159	291	63
iii) Bank balances other than above	18	21	403	177
iv) Other financial assets	46	100	128	156
b) Other current assets	13	21	71	93
c) Inventories	279	212	305	363
TOTAL ASSETS	1,091	1,334	2,868	3,525

Consolidated Financial Highlights

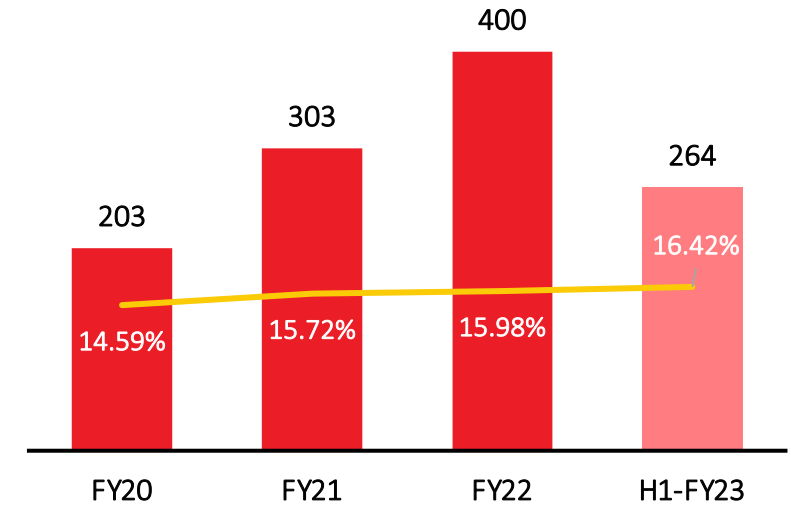
Operational Revenue (INR Mn)



EBIDTA (INR Mn) & EBITDA Margins (%)



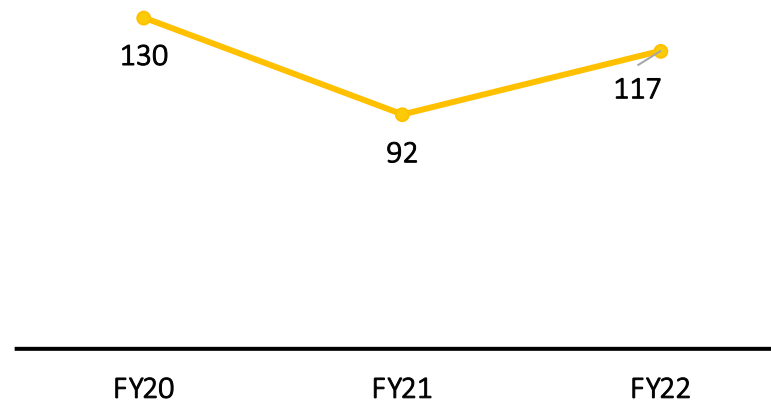
PAT (INR Mn) & PAT Margins (%)



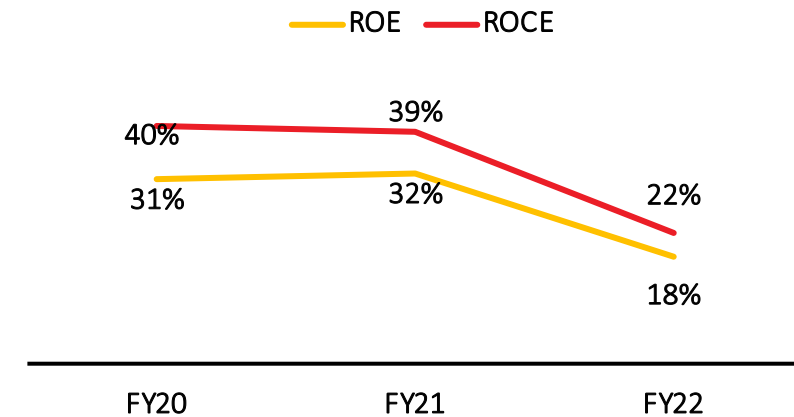
Net Debt to Equity (x)



Cash Conversion Cycle (Days)



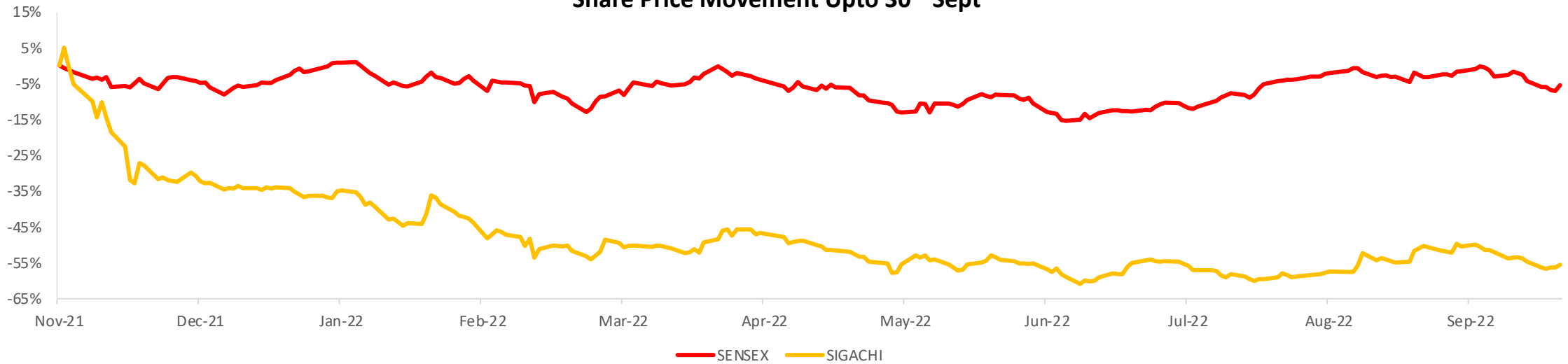
ROCE (%) and ROE(%)





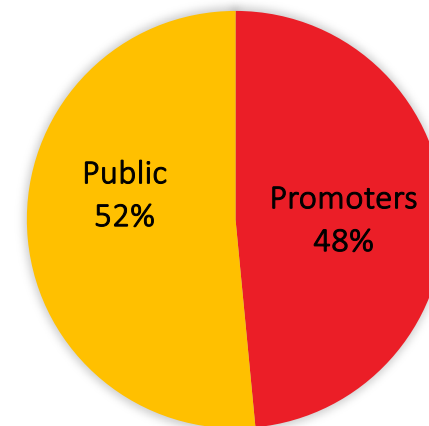
Capital Market Information

Share Price Movement Upto 30th Sept



Market Data (INR) as on 30 th Sept, 2022	
Face Value	10.0
CMP	268.6
52 Week H/L	648.0/231.3
Market Cap (INR Mn)	8,258.9
Shares O/S (Mn)	30.7
Avg. Vol. Since Listing ('000)	270.31

Shareholding Pattern as on 30th Sept, 2022





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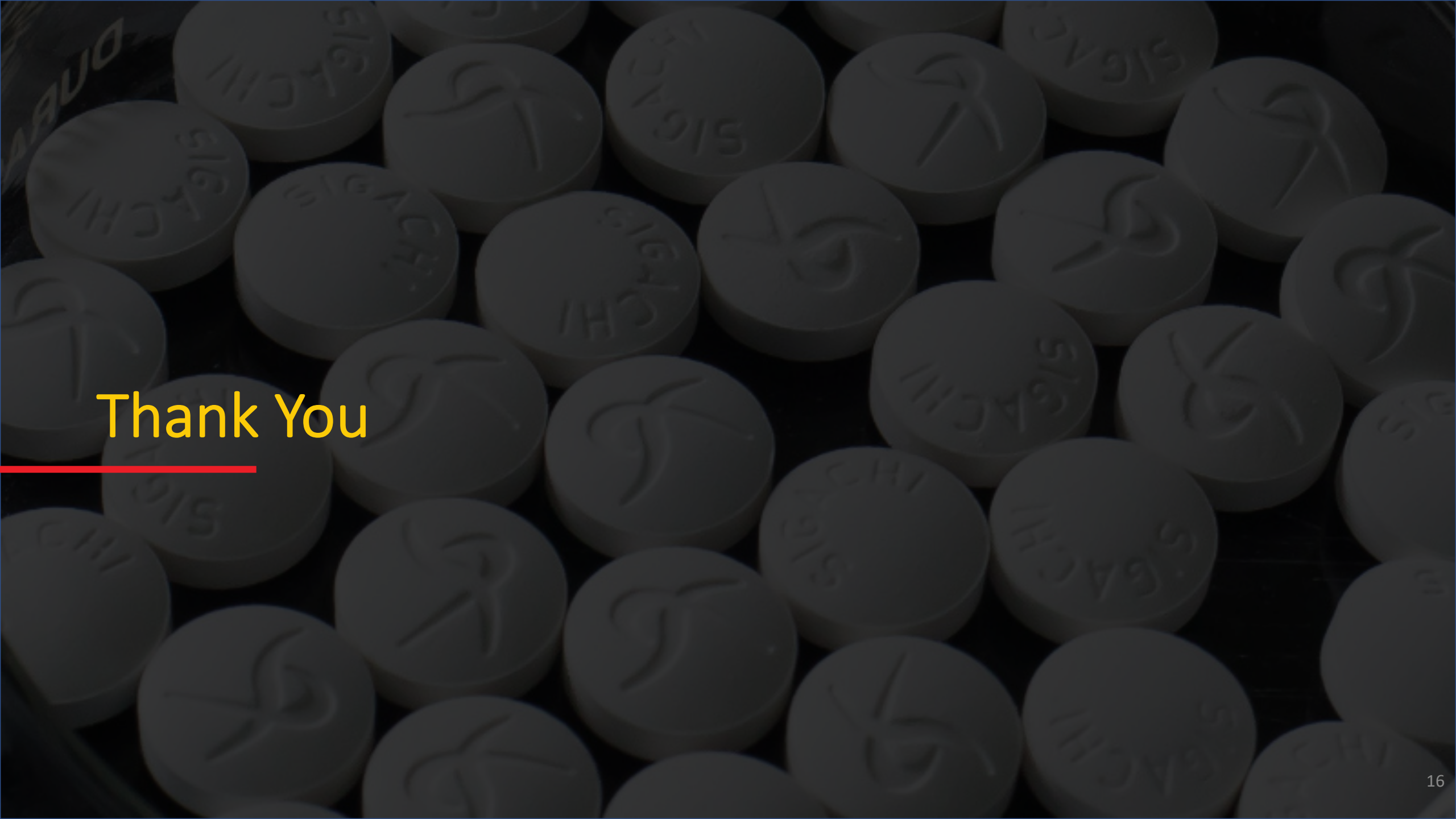
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Thank You
