



SIGACHI INDUSTRIES LTD

**Q2 & H1FY25
Investor Presentation**

November '2024

Sigachi isn't a supplier, We are your strategic partner



Values



Excellence



Respect



Integrity



Resourcefulness

01

**Operational &
Financial Highlights**

02

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Edge**

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Annexure

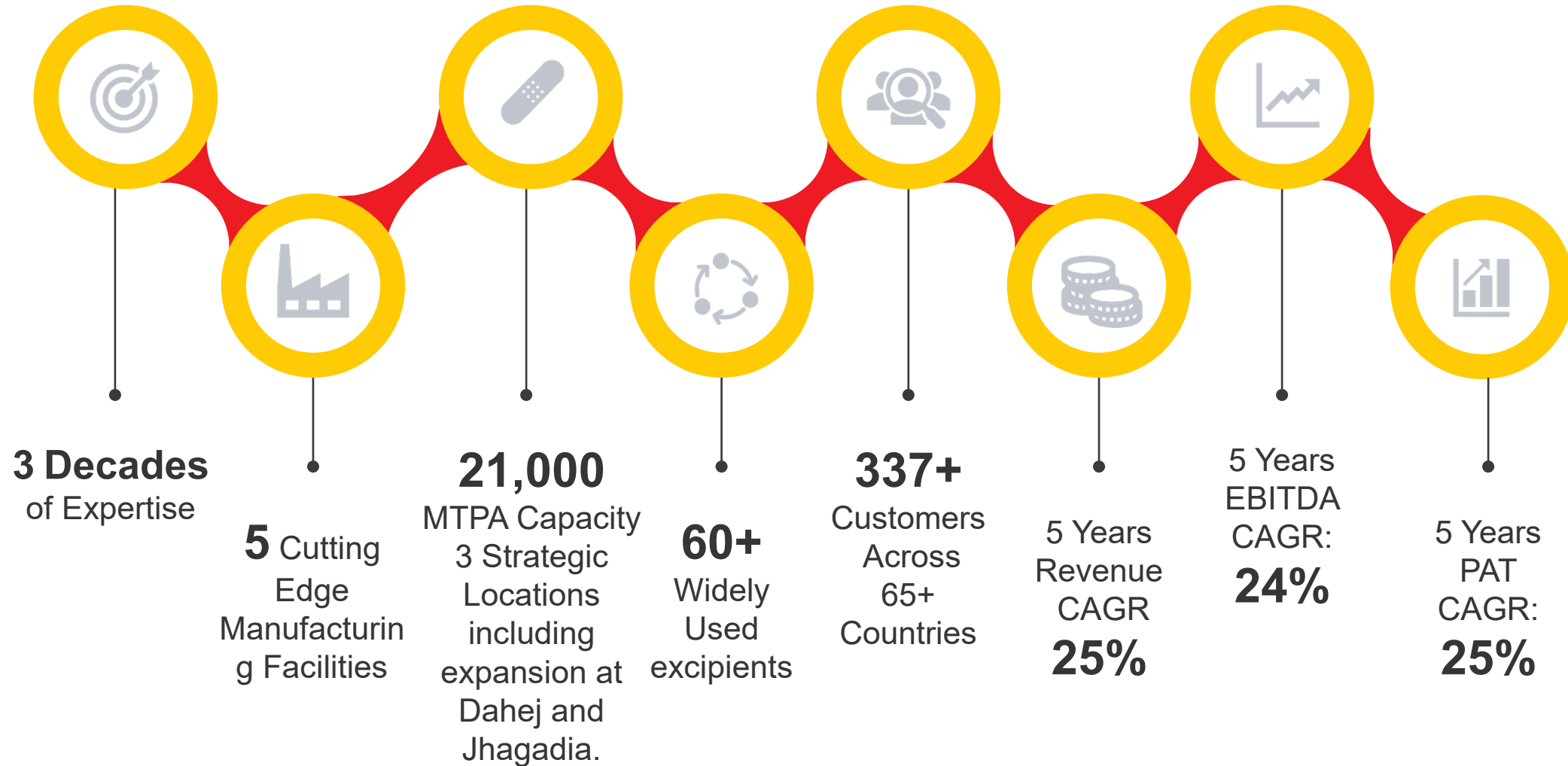
Focused R&D drives our continuous product innovation and advancement.

“ With over 35 years of expertise, we’re driving growth by diversifying our portfolio and innovating in Pharma Excipients, API’s, Nutraceuticals, Cosmetics and Food Ingredients. Our focus on quality, regulatory compliance, and digital transformation positions us as a trusted partner in essential molecule production, including Microcrystalline Cellulose ”

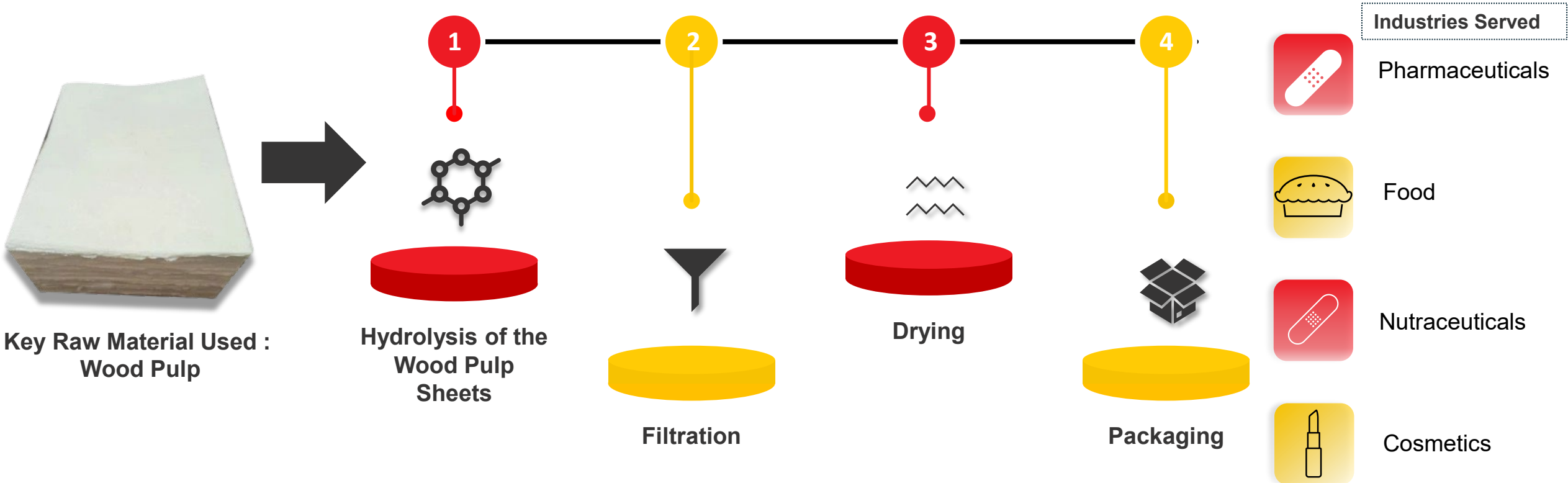


Mr. Amit Raj Sinha
Managing Director & Chief
Executive Officer (MD & CEO)

India's Largest Manufacturer of Microcrystalline Cellulose



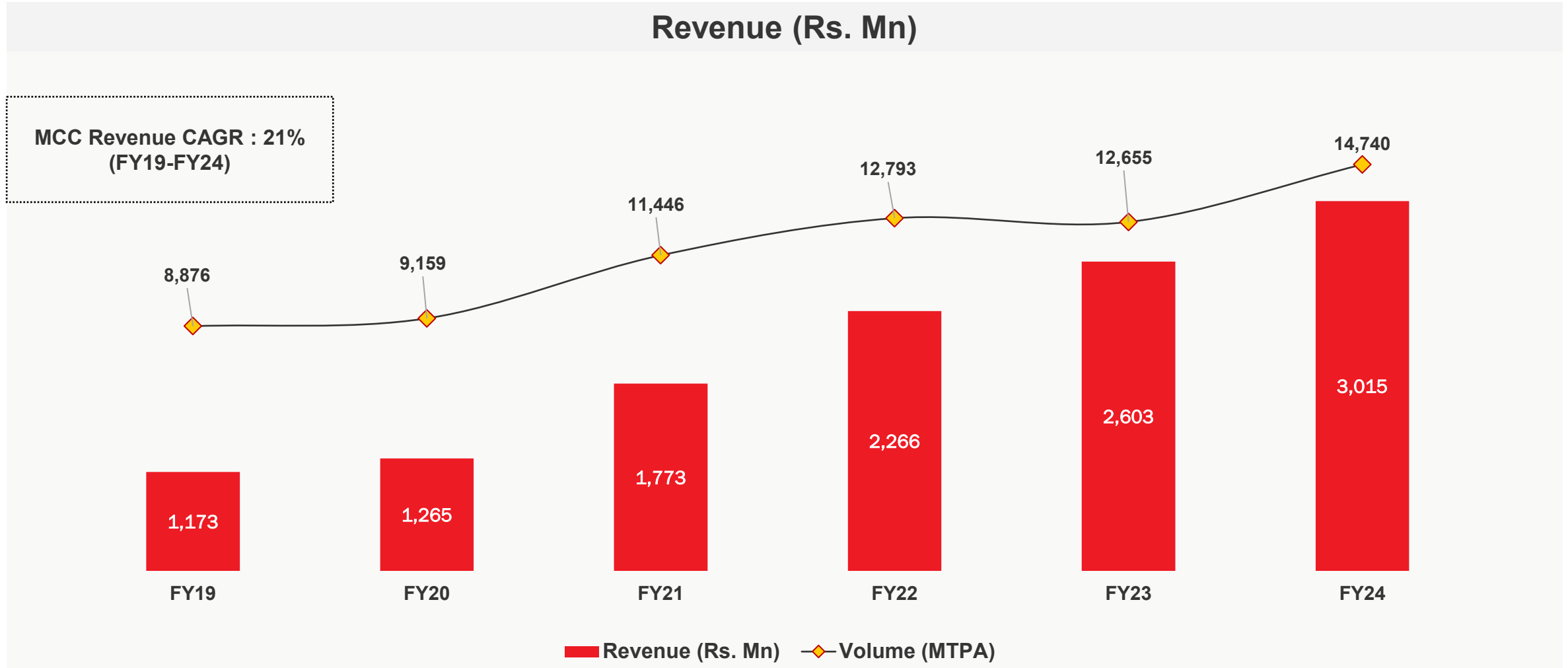
Value Creation through Integrated Manufacturing



Customized Industry Solutions : Manufacture MCC in grades from 15 to 250 microns to suit diverse industry needs

Core Business More Than Doubled in 5 Years

MCC Revenue Grew 2.6x



01

Operational and Financial Highlights

Q2 & H1FY25



Q2 & H1FY25 Update



Sigachi's entry into the coatings market is strategically timed to capitalize on the industry's growth potential. The company's deep understanding of pharmaceutical formulations, coupled with its state-of-the-art manufacturing facilities, enables it to deliver superior quality products that meet the evolving needs of the market.



The overall income for the half year ended experienced a YoY growth of 26.96%, increasing from INR 1,866.16 Million to INR 2,369.29 Million.



Company is constantly thriving to improve upon its R&D capabilities and cost-effective manufacturing processes and thereby remain as a manufacturer of choice with highest quality standards.



Focus on high margin yielding product mix and cost-effective manufacturing processes, effective management of inventory would result in increase of EBITDA and Profitability in coming quarters.



Q2FY25 Financial Highlights

Revenue from Operational Income (Rs. Mn)

Rs. 1,370 Mn

↑ 38.10 % YOY

EBITDA (Rs. Mn)

Rs. 293 Mn

↑ 36.91 % YOY

PAT (Rs. Mn)

Rs. 210 Mn

↑ 39.07 % YOY

Margins

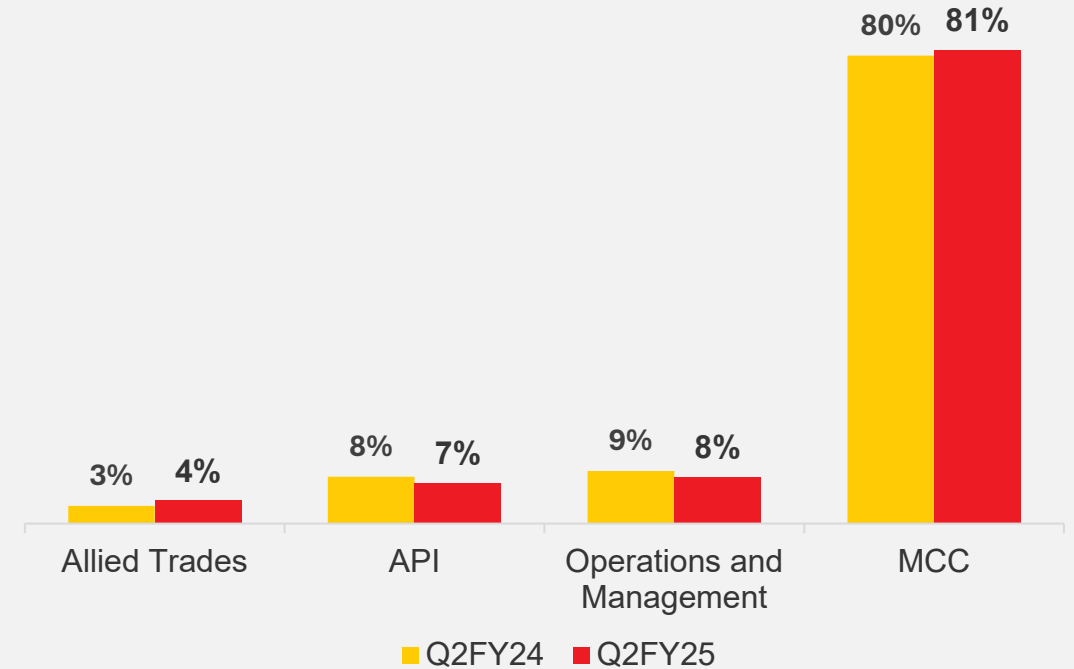
EBITDA : 21.38%

(19) bps (YoY)

PAT : 16.81%

159 bps (YoY)

Revenue Contribution %



H1FY25 Financial Highlights

Revenue from Operational
Income (Rs. Mn)

Rs. 2,327 Mn

↑ 26.53% YOY

EBITDA (Rs. Mn)

Rs. 504 Mn

↑ 33.33 % YOY

PAT (Rs. Mn)

Rs. 337 Mn

↑ 15.27 % YOY

Margins

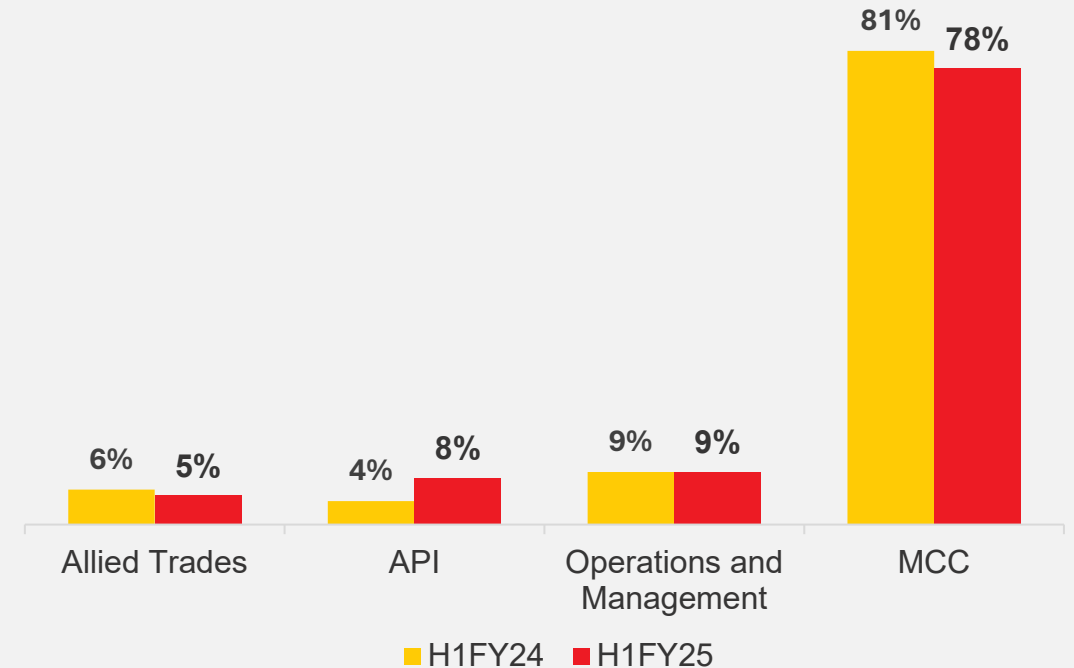
EBITDA : 21.65%

110 bps (YoY)

PAT : 15.27%

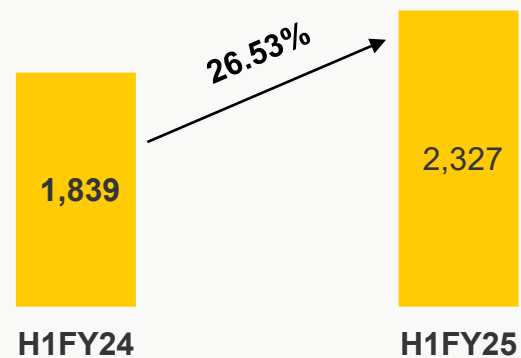
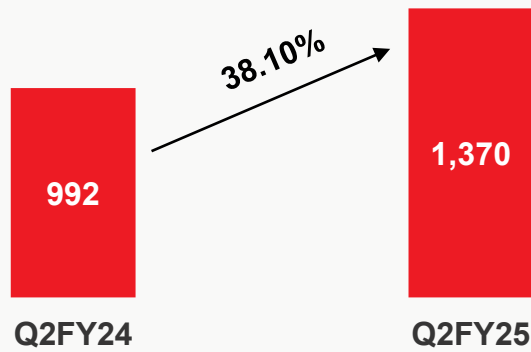
113 bps (YoY)

Revenue Contribution %

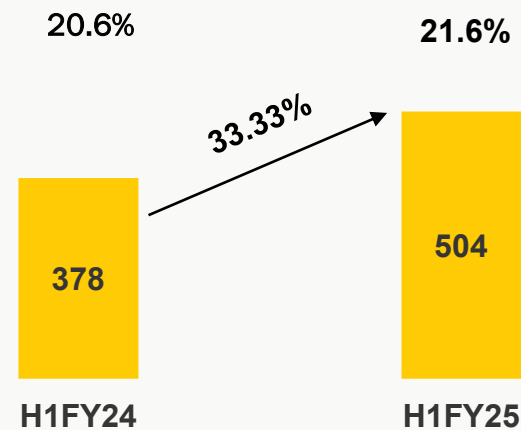
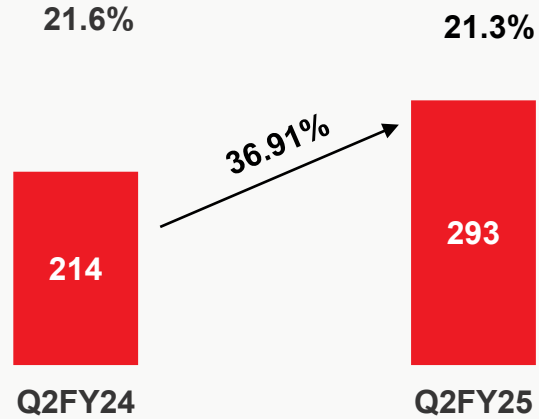


Q2 & H1FY25 Story in Charts

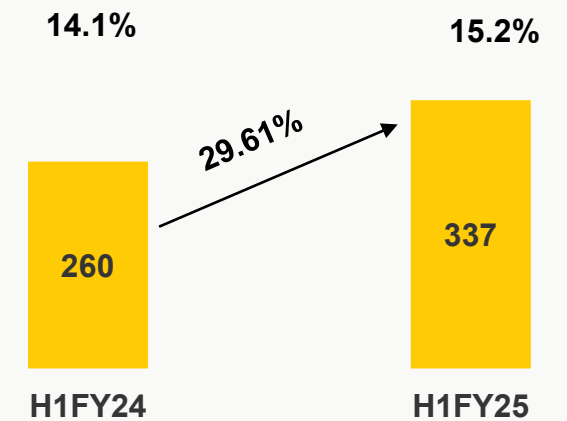
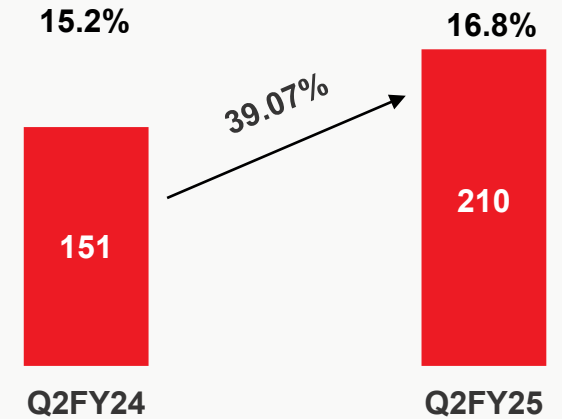
Revenue from Operational Income (Rs. Mn)



EBITDA (Rs. Mn) & EBITDA Margin %

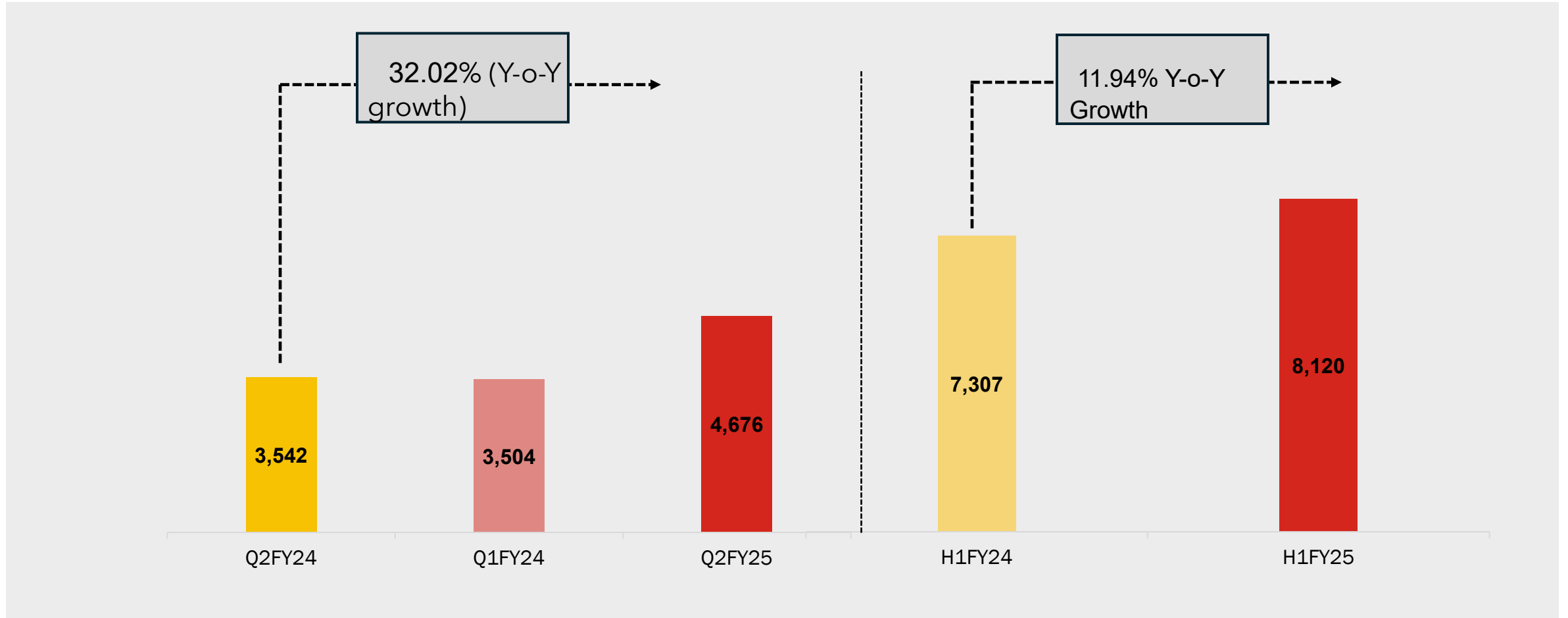


PAT (Rs. Mn) & PAT Margin %

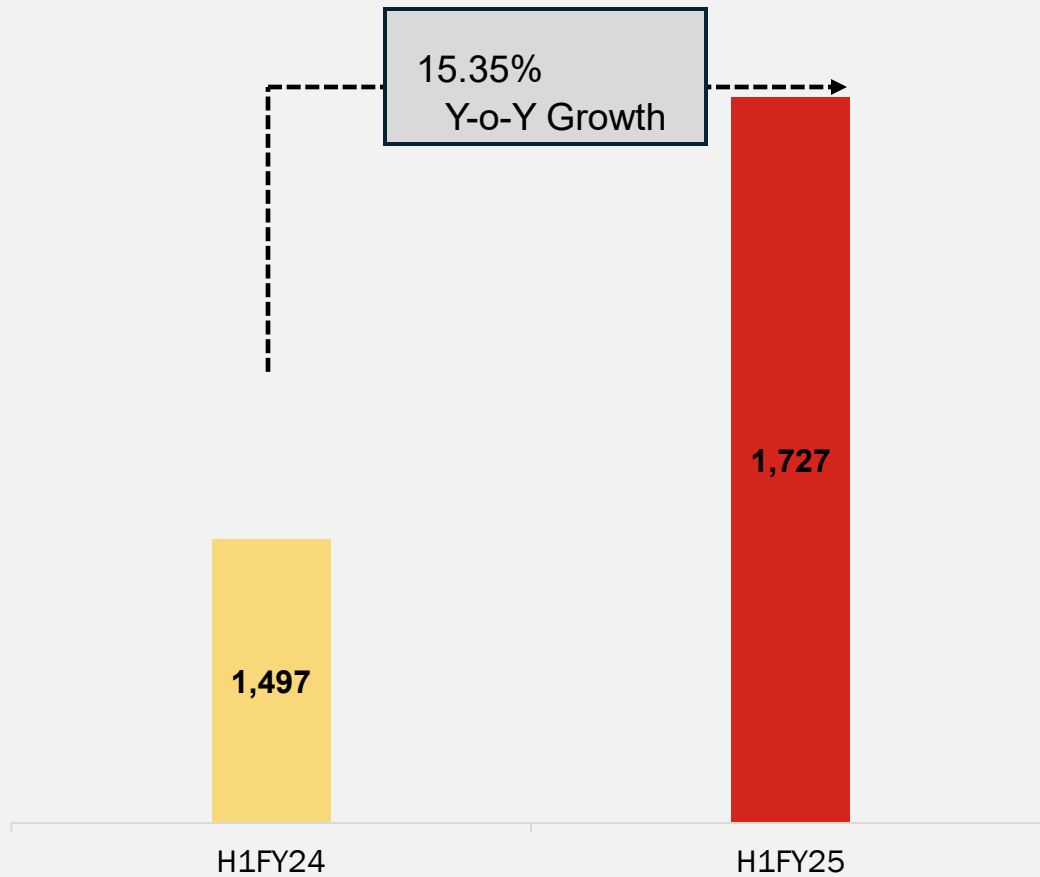


Uptick in MCC Sales Quantity

Quantity of Microcrystalline Cellulose (In MT)

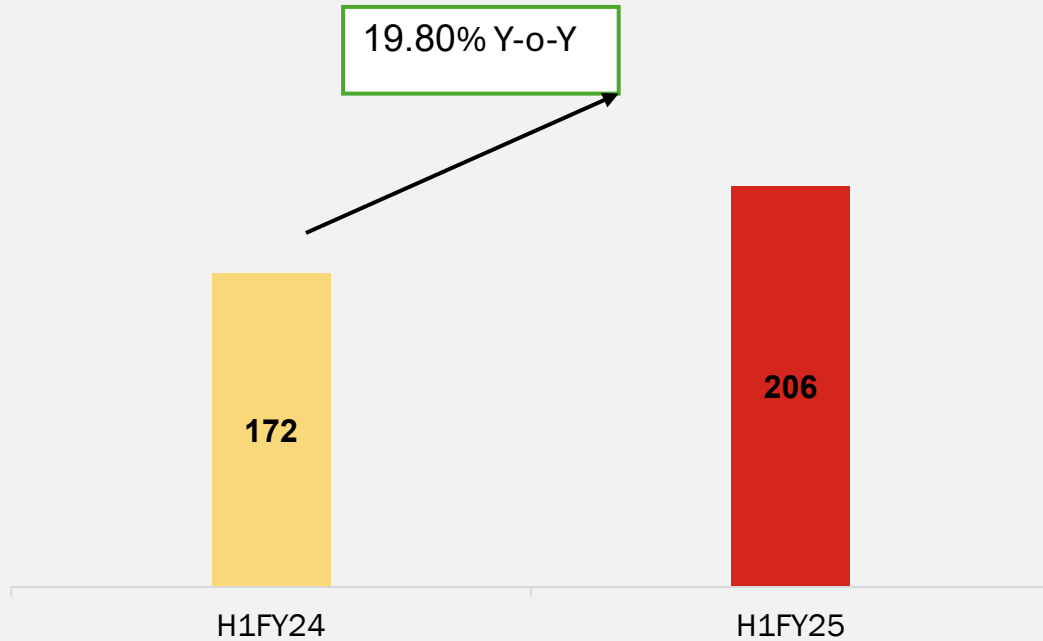


Revenue Growth in MCC



Key Drivers

- Revenue in MCC Experienced Robust Growth
- Attributed to Increased Demand and Ramp up in Capacity Utilization
- Average Price of MCC for the First Half of FY25 was at Rs 212.69 per kg



Key Drivers

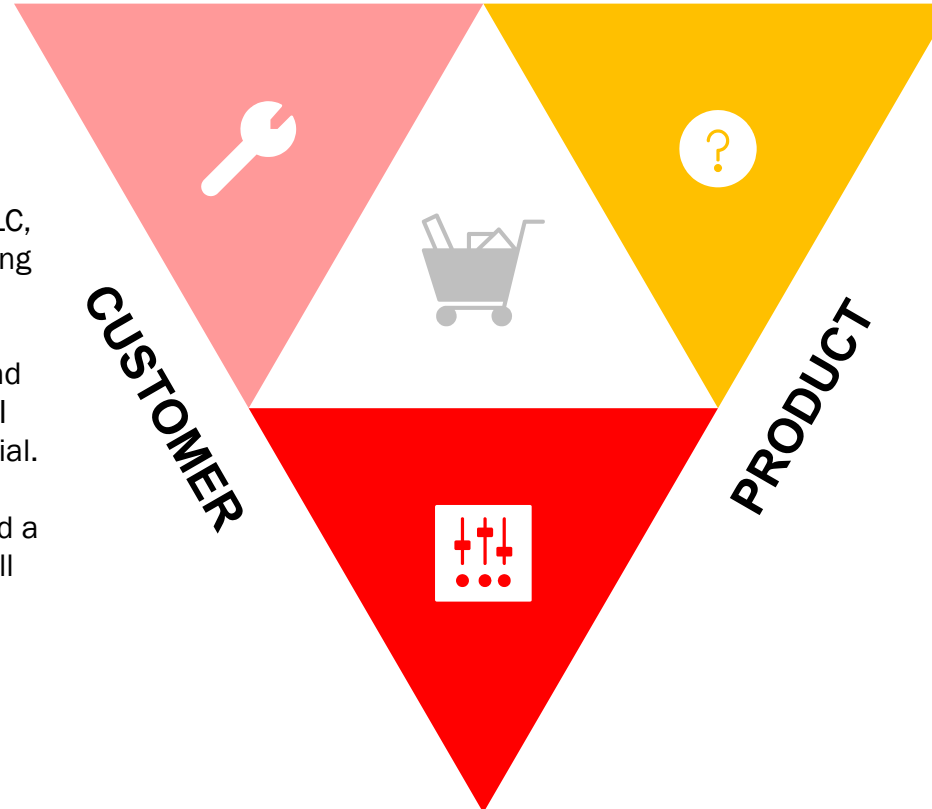
- Revenue growth is mainly attributable to increase in customers.

Strategic Alliance to Drive Expansion-JVs

MARKET

Expansion into UAE Market: Formation of Sigachi Global Joint Venture

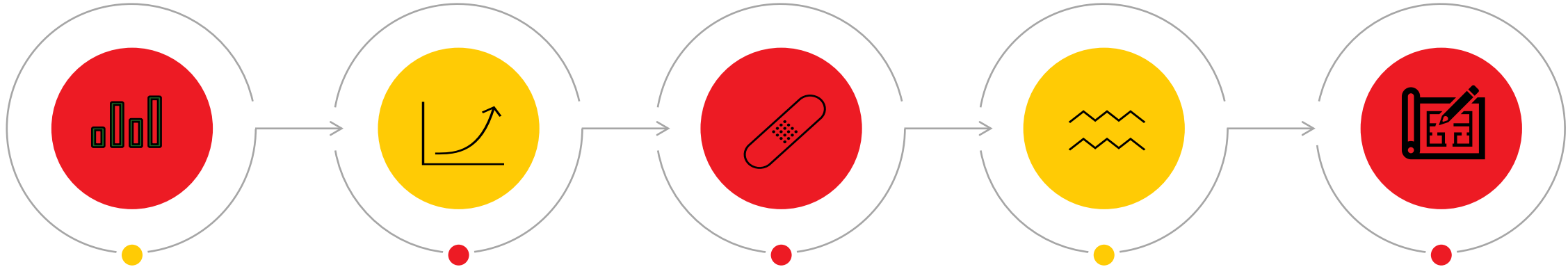
- **Partnership Structure:** Sigachi MENA FZCO, a wholly owned subsidiary of the company, partners with iConsult Trading Consultancy LLC, a subsidiary of iMass Investments, UAE, forming a joint venture named Sigachi Global.
- **Market Focus:** The JV aims to enter and expand in the UAE's growing food and pharmaceutical sectors, leveraging the region's market potential.
- **Ownership Stake:** Sigachi MENA FZCO will hold a 75% stake in Sigachi Global, while iConsult will retain a 25% stake.



Strategic Growth in Saudi Arabian Market: Sigachi Arabia Joint Venture

- **Projected Revenue:** Sigachi Arabia, a JV between Sigachi MENA FZCO and Saudi National Projects Investment Limited (SNP Global).
- **Revenue Sources:** Revenue is expected primarily from Saudi Government Tenders and partnerships with large corporate clients.
- **Local Market Leverage:** By establishing a local presence, Sigachi Arabia is positioned to capitalize on emerging opportunities within the Saudi market.
- **Ownership Stake:** Sigachi MENA FZCO holds a 75% stake in Sigachi Arabia, with SNP holding 25%.

Strategic Priorities and Way Forward



MCC

- **Enhanced Utilization:** Striving for 80% Capacity Utilization of added Capacity by FY26

Market Expansion

- **Geographic Expansion:** Deepen market penetration with existing customers and expand into new regions
- **Broaden Market Footprint:** Target B2B growth in human nutrition and expand excipient exports across 60 countries.

API

- **Portfolio Integration:** Seamlessly incorporate the new API unit with existing excipient offerings for a comprehensive customer solution
- **Enter Regulated Market:** Pursuing EU Approvals and Securing 9 CEPs in FY25 for Critical APIs to enter Regulated Market

CCS

- **Commercializing CCS :** Aim to commercialize CCS within 12-18 months, targeting plant completion by FY26 end

O&M

- **Advanced O&M Services:** Focus on specialty chemicals, petrochemicals, water treatment, and pharma plants, leveraging industry 4.0 technologies for enhanced efficiency and compliance

Income Statement Q2 & H1FY25

Particulars (Rs. Mn)	Q2FY25	Q2FY24	YoY	Q1FY25	QoQ	H1FY25	H1FY24	YoY
Revenue from Operational Income	1,370	992	38.10 %	957	43.15%	2,327	1,839	26.53%
Total Expenses	1,077	778	38.43%	747	44.17%	1,823	1,461	23.09%
EBITDA	293	214	36.91%	210	39.52%	504	378	33.33%
<i>EBITDA Margin</i>	21.38%	21.57%	(19) Bps	21.94%	(56) Bps	21.65%	20.55%	110 Bps
Depreciation and Amortization	32	25		31		64	45	
Finance Cost	21	18		32		53	31	
Other Income	25	11		17		42	27	
PBT	265	182	45.60%	164	61.58%	429	329	30.39%
<i>PBT Margin</i>	21.22%	18.37%	285 Bps	17.14%	408 Bps	19.45%	17.90%	155 Bps
Tax Expense	55	31	77.41%	36	52.77%	92	69	33.33%
PAT	210	151	39.07%	128	64.06%	337	260	29.61%
<i>PAT Margin</i>	16.81%	15.22%	159 Bps	13.38%	343 Bps	15.27%	14.14%	113 Bps
Other Comprehensive Income	1	-1		-		2	-1	
Total Comprehensive Incomes	211	150	40.67%	128	64.84%	339	259	30.89%
Basic EPS (Rs Per Share)	0.66	4.93	34.69%	0.4	65.00%	1.06	8.47	24.70%
Diluted EPS (Rs Per Share)	0.53	4.48	17.77%	0.32	65.62%	0.85	7.7	10.39%

All numbers are on Consolidated Basis

02

Business Overview



Sigachi Industries – Distinct Value Proposition

Sigachi Industries Ltd: Leading Manufacturer of Pre-Formulation Excipients

**Competitive
Edge**



Presence in the Pharmaceutical Ecosystem



Leadership in MCC Production



Growth in Core and Non-Core Businesses

Present Across the Pharma Ecosystem

Moving Up the Value chain by Introducing Value Added and Margin Accretive Products in the Product Basket

MCC

Core Business Vertical

- Largest Manufacturer in India.
- Average Realization: Rs 212 Per Kg.

API

Expanded Product Offering

- Acquired 80% stake in Trimax Bioscience
- Synergies Unlocked: Common Customer Basket - same as excipient
- Seizing 60% of Formulator's input cost

CCS

Complementary to Existing Business

- Value-Added Product.
- Proposed Capacity: 1,800 MTPA at Dahej.

Our De-Risked Business Model

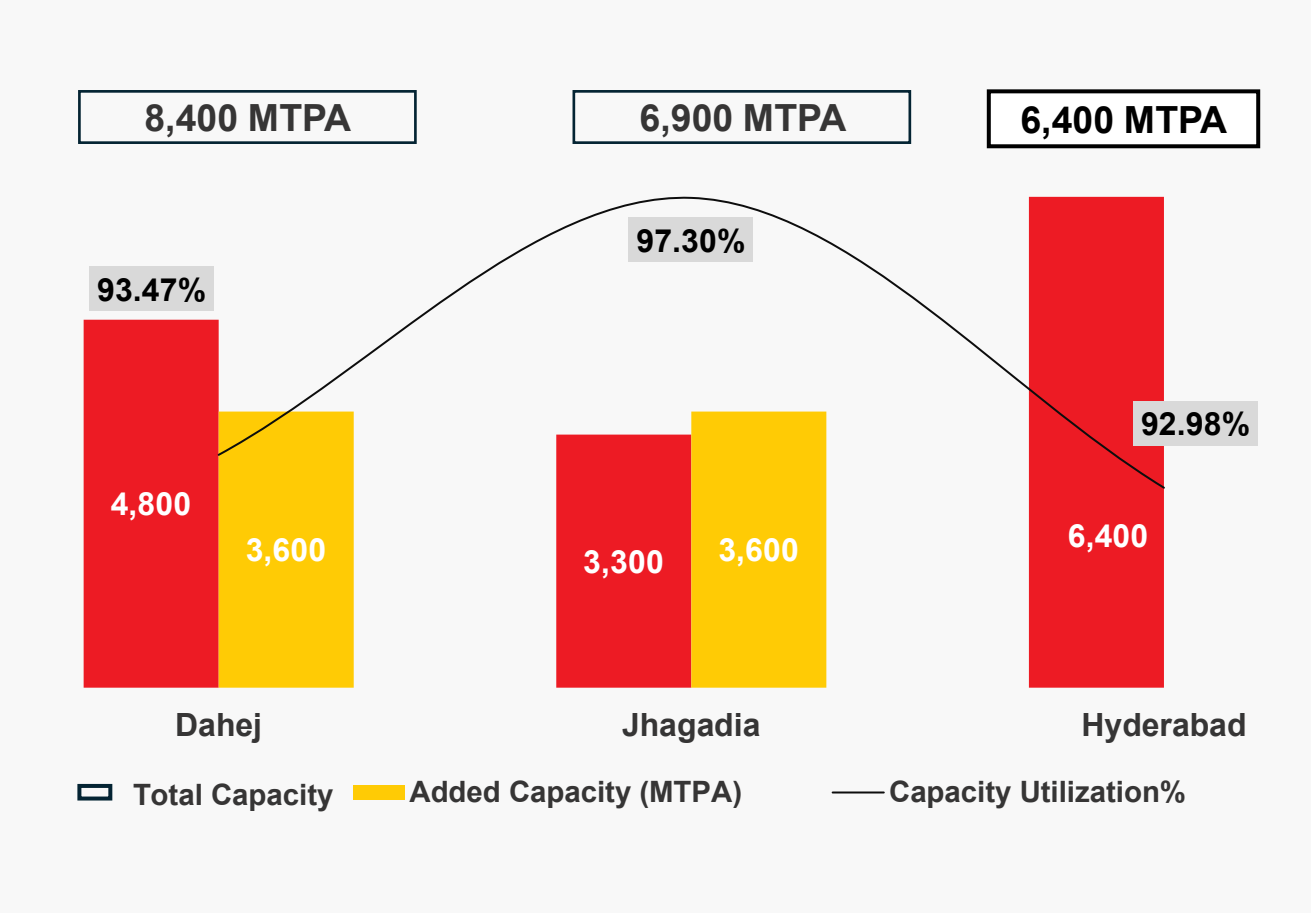
Strong Competitive Edge enabling Consistent Profitability and Strong Balance Sheet



One of the Largest Manufacturers of MCC in the World



Maximizing Capacity: Efficient Utilization



The capacity (7,200 MTPA) added in Q4FY24 resulted in an increase to total capacity of 21,700 MTPA

Leading MCC Manufacturer in India

Operating at a combined capacity of 21,700 MTPA across 3 strategic locations

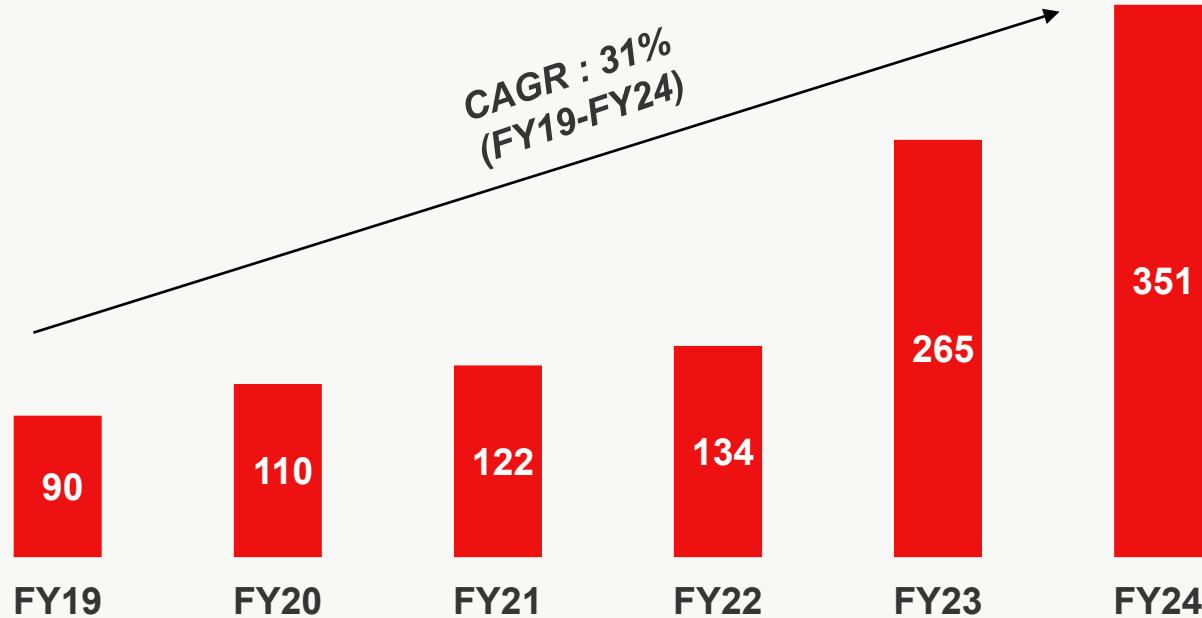
Expanded capacity has achieved 25% utilization in H1FY25

Anticipated annual growth in capacity utilization: 20%-25% YoY

Robust Growth in O&M Business

Revenue Tripled

O&M Revenue (Rs. Mn)



Trusted Partners

- Gujarat Alkalies
- Aditya Birla Group
- ONGC Petro Additions
- Lords Chloro Alkali Limited
- Adani New Industries Limited

Asset Light Model

- Zero Capex Requirement
- Contracts Win to Boost RoE and RoCE

Research & Product Excellence

Advanced Manufacturing Facilities across 5 Strategic Locations



Hyderabad Plant



Dahej SEZ Plant



Jhagadia Plant



R&D Division

Quality Assurance through Cutting-edge Facilities, Expert R&D, Accreditation, and Certification

5 Manufacturing Units

- Hyderabad, Telangana (Unit I, Unit IV), Jhagadia, Gujarat (Unit II), and Dahej, Gujarat (Unit III)
- 100 KL API Plant at Raichur Karnataka (Unit V)

Research and Development

- Division located in Jhagadia and Dahej, focusing on performance-oriented approaches and in-house technologies

Expansion Plans

- Expanding Dahej, Jhagadia Capacities for MCC;
- Setting up New Dahej Unit for CCS

Accredited Laboratory

- Laboratory at Jhagadia accredited by Department of Science and Industrial Research (DSIR).

Ongoing Commitment to R&D Investment



Trademarks

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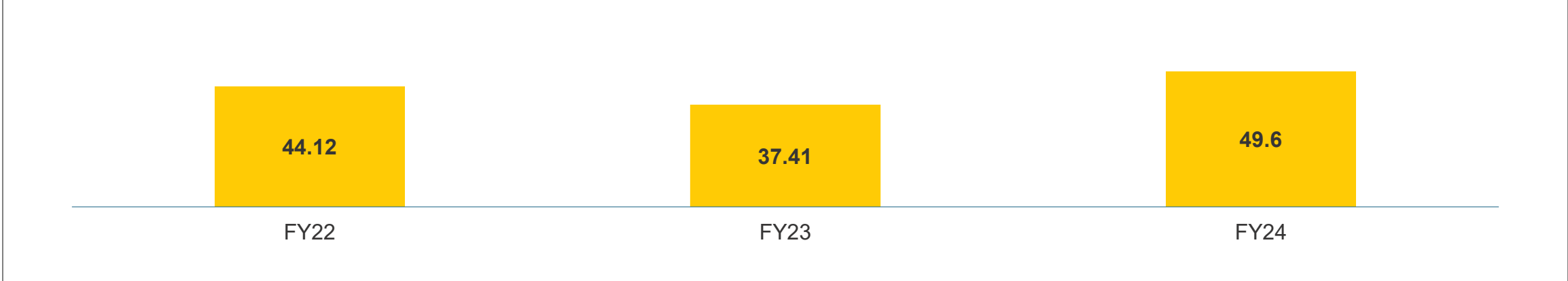
Patent Filed

7

R&D Team Members

18

Investment in Intellectual Properties : R&D (In Rs. Mn)



Quality Assurance: Certifications & Accreditation



All Product Grades available



Ensures quality control and assurance in all manufacturing units, with various certifications for processes and raw materials

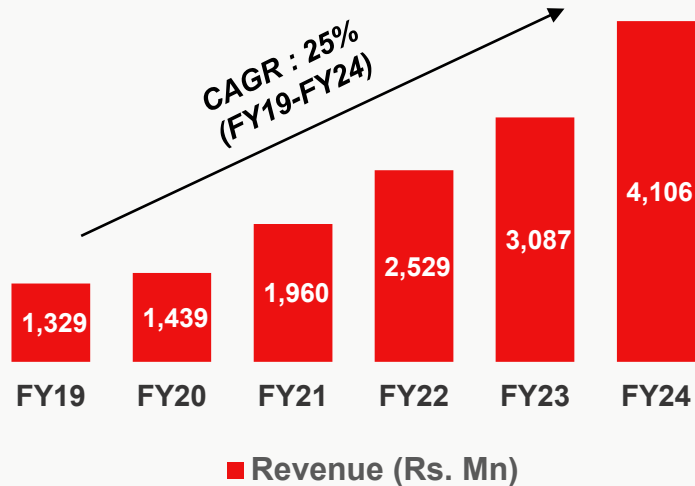
03

Competitive Edge Driving Profitability and Financial Stability

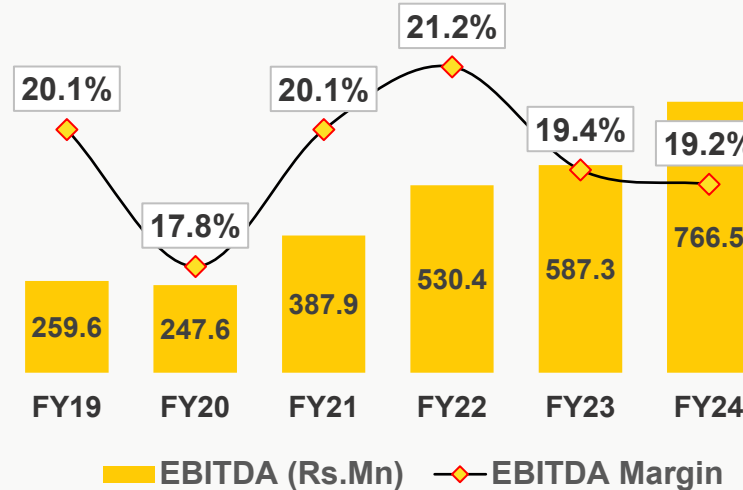


Achieving 3x Growth in Revenue and PAT

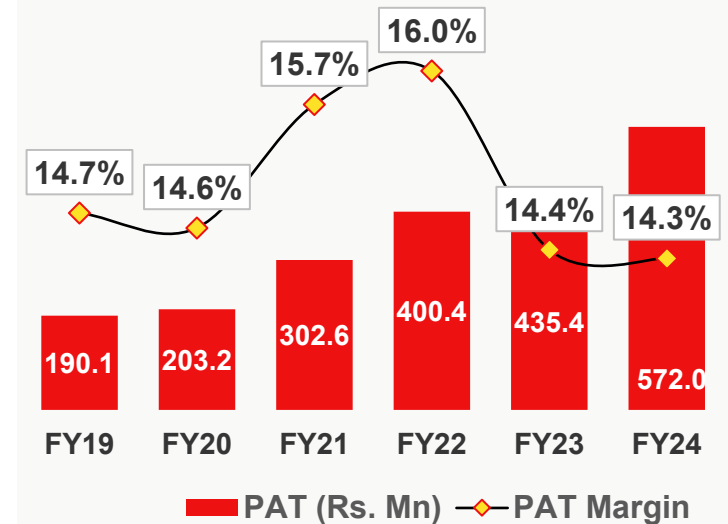
Revenue (Rs. Mn)



EBITDA (Rs. Mn)



PAT (Rs. Mn)

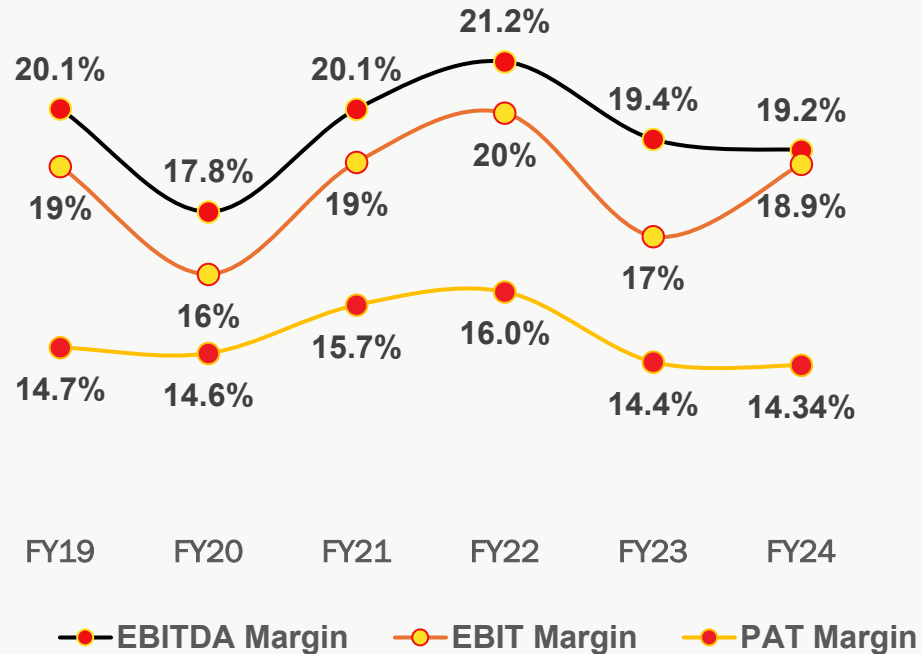


Margin	5 Years CAGR	5 Year Average Margin
EBITDA	24%	19.6%
PAT	25%	14.9%

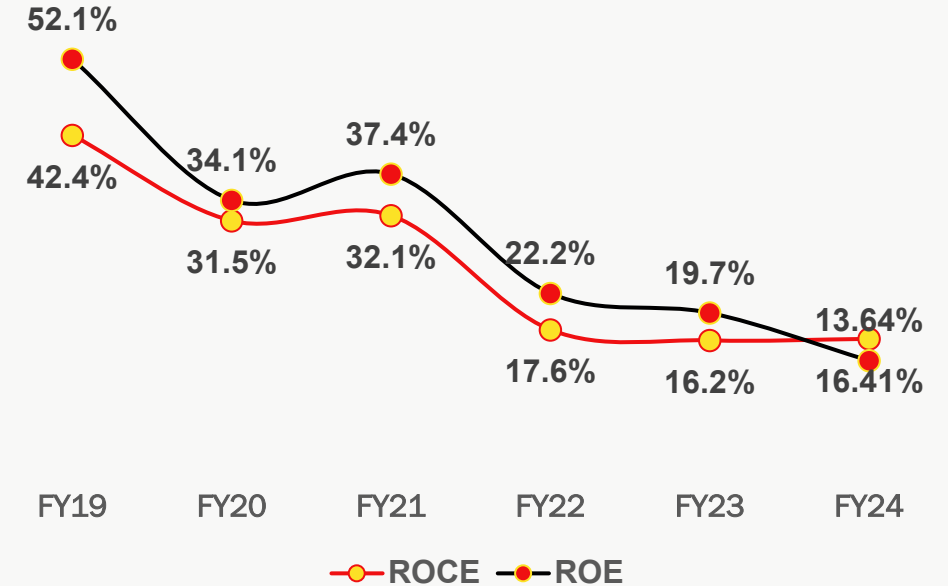
Nos. are consolidated basis

Sustainable Margins

Sustainable Margins



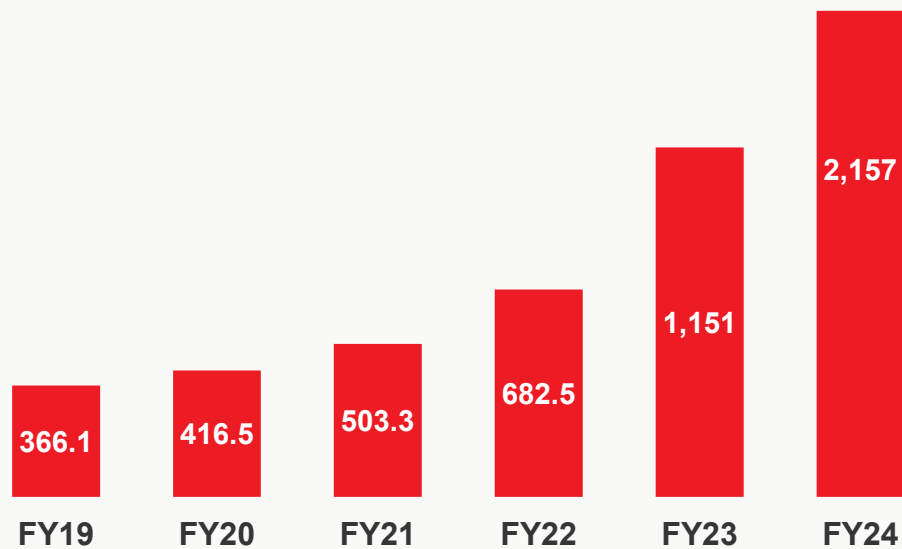
Returns to Stake holders picking up..



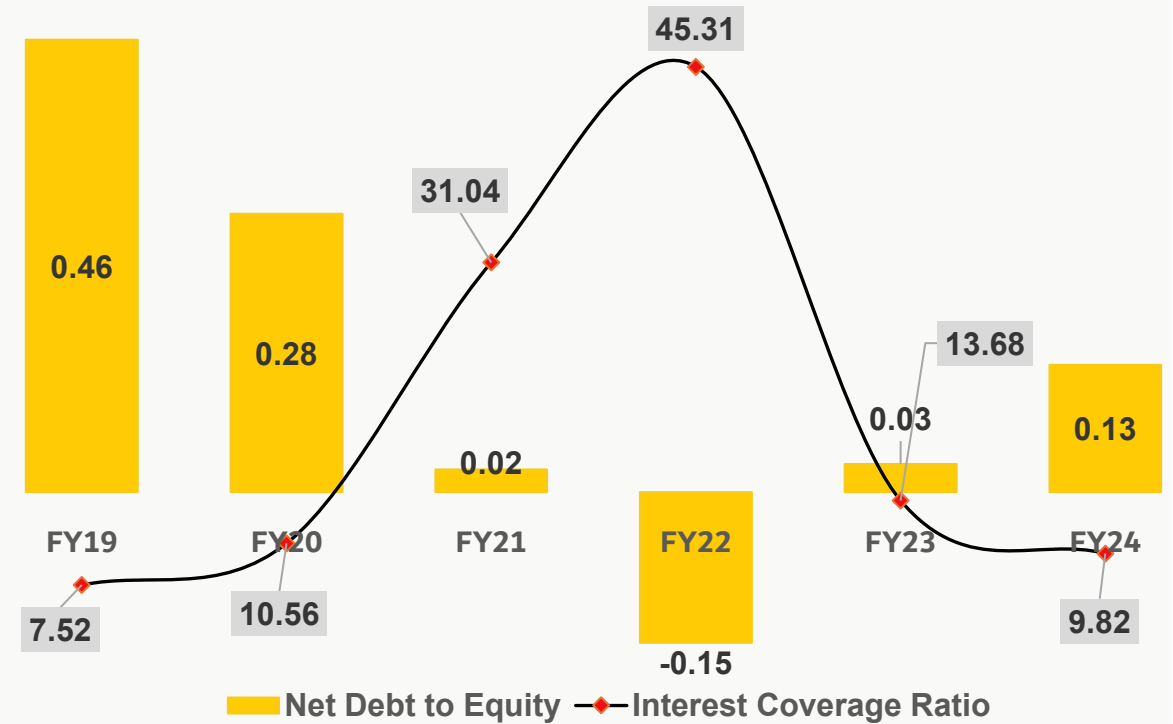
ROCE calculated after adjusting for CWIP

Low Debt: Maximizing Financial Stability

Gross Block (Rs.Mn)



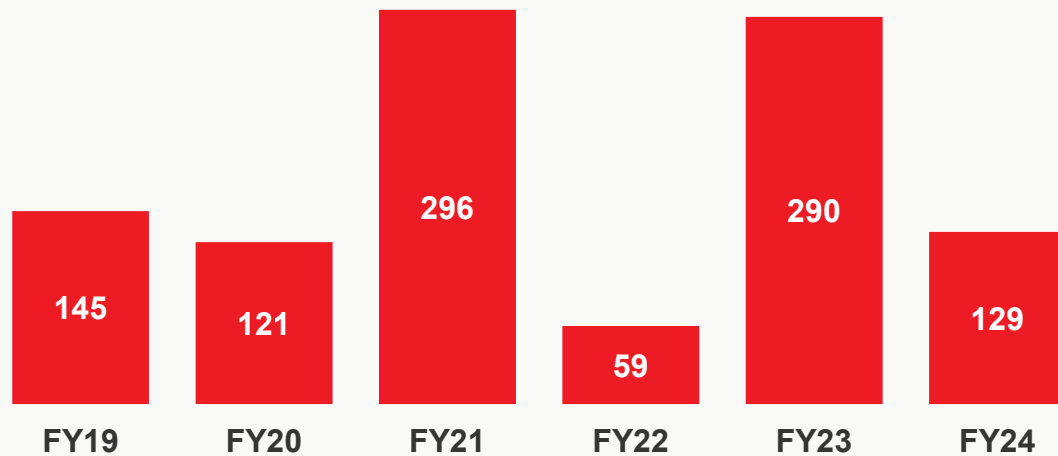
Net Debt to Equity and Interest Coverage Ratio



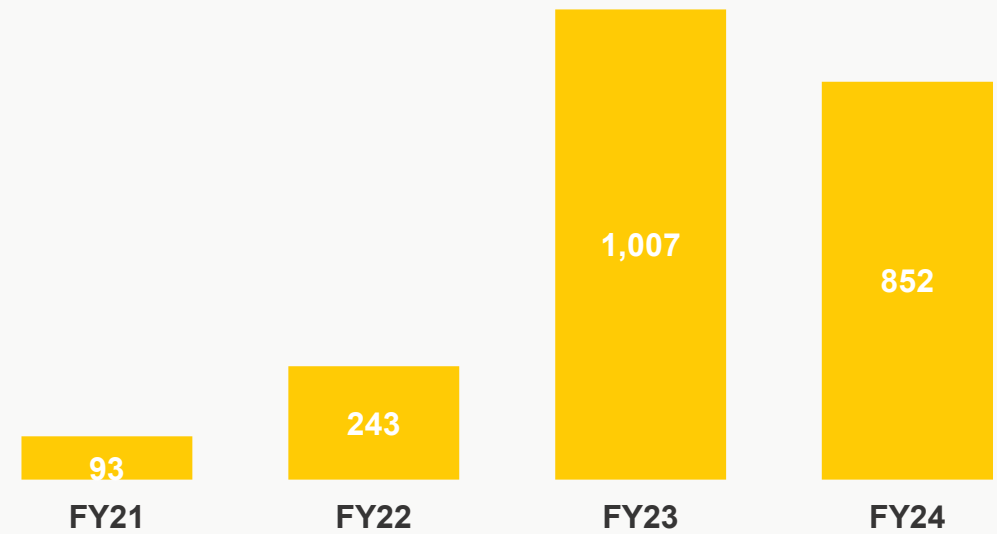
Cash Flow

To Drive Future Growth

Cash Flows from Operation (Rs.Mn)



Capex (Rs. Mn)



04

Annexure



Historical Income Statement

Particulars (Rs. Mn)	FY21	FY22	FY23	FY24	H1FY25
Revenue from Operational Income	1,928	2,503	3,020	3,989	2,206
Total Expenses	1,540	1,972	2,433	3,223	1,823
EBITDA	388	531	587	766	383
<i>EBITDA Margin</i>	20.12%	21.21%	19.43%	19.20%	17.31%
Depreciation and Amortisation	23	29	66	108	64
Finance costs	13	12	43	78	53
Other Income	33	26	67	117	163
PBT	385	516	545	697	429
<i>PBT Margin</i>	20.0%	20.6%	18.0%	17.47%	19.45%
Tax Expense	82	116	109	125	92
PAT	303	400	436	572	337
<i>PAT Margin</i>	15.72%	15.98%	14.43%	14.34%	15.27%
Other Comprehensive Income	1	-6	1	-	2
Total Comprehensive Income	304	394	437	572	339
Basic EPS	1.31	1.54	1.41	1.81	1.06
Diluted EPS	1.31	1.54	1.41	1.54	0.85

All numbers are on Consolidated Basis

Historical Balance Sheet

Particulars (Rs. Mn)	FY21	FY22	FY23	FY24	H1FY25
NON-CURRENT ASSETS	463	1,069	1,964	3,809	3,911
a) Property, plant and equipment	376	527	960	1,711	2,757
b) Capital work-in-progress	37	97	349	966	82
c) Intangible assets	3	7	7	14	14
d) Goodwill	-	-	-	547	547
e) Right of Use Assets	-	-	257	277	287
f) Financial assets					
i) Investments	2	2	2	3	3
ii) Other Financial Assets	18	351	225	199	206
g) Other non-current assets	27	85	164	92	16
CURRENT ASSETS	871	1,799	1,774	3,133	3,616
a) Financial Assets					
i) Trade Receivables	358	601	802	1,500	1,723
ii) Cash and cash equivalents	159	291	137	174	82
iii) Bank balances other than above	21	403	190	396	398
iv) Other financial assets	100	128	69	163	285
b) Other current assets	21	71	110	192	216
c) Inventories	212	305	466	707	911
TOTAL ASSETS	1,334	2,868	3,738	6,942	7,527

All numbers are on Consolidated Basis

Historical Balance Sheet

Particulars (Rs. Mn)	FY21	FY22	FY23	FY24	H1FY25
EQUITY	942	2,277	2,683	4,410	4,820
Equity Share Capital	77	307	307	328	333
Other Equity	865	1,970	2,376	3,968	4,384
Equity attributable to the owners of the company	942	2,277	2,683	4,296	4,717
Minority Interest	-	-	-	114	102
NON-CURRENT LIABILITIES	70	76	308	653	759
a) Financial Liabilities					
i) Borrowings	19	12	10	266	326
ii) Lease Liability	-	-	231	205	229
b) Provisions	8	9	15	18	15
c) Deferred tax liabilities (net)	43	55	52	164	189
CURRENT LIABILITIES	322	515	747	1,878	1,948
a) Financial Liabilities					
i) Borrowings	183	332	395	924	1,022
ii) Lease Liabilities	-	-	41	36	24
iii) Trade Payables	80	106	208	479	500
iv) Other financial liabilities	7	6	9	80	71
b) Other current liabilities	43	59	94	335	312
c) Current tax liabilities (Net)	9	12	-	24	20
TOTAL LIABILITIES	392	591	1,055	2,531	2,707
TOTAL EQUITY AND LIABILITIES	1,334	2,868	3,738	6,942	7,527

All numbers are on Consolidated Basis

Key Milestones

1989

Incorporated as 'Sigachi Chloro-Chemicals Private Limited

2000

- Launched premium-grade MCC production
- Installed advanced spray drier and multi-fuel furnace
- Capacity boosted from 720 to 1080 MTPA

1998

Commenced its export operations by exporting its product

2009

Setting up of 100 % export oriented unit ("EOU") for manufacturing MCC in the SEZ at Dahej, Gujarat

2010

Commenced the commercial production of MCC at manufacturing unit situated at Jhagadia

2012

Commenced the Commercial production of MCC at the manufacturing unit situated at Dahej

2014

Merger of Sigachi Cellulose Private Limited and Sigachi Plasticizers Private Limited with the company

2021

Got listed on NSE & BSE on Nov 15, 2021

2023

Expanded Capacity to 21,700 MTPA, the Largest MCC Manufacturing Company in India

2023

Acquired Trimax Biosciences Pvt Ltd to expand into API product offerings

2024

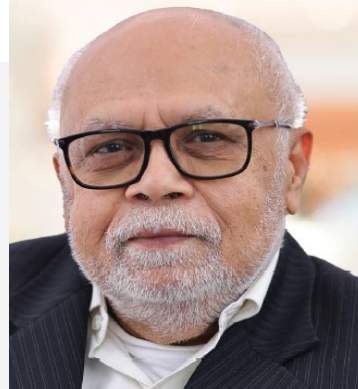
Sigachi MENA FZCO, a wholly owned subsidiary, has announced the formation of joint ventures, Sigachi Arabia and Sigachi Global.

Sigachi MENA FZCO, a wholly owned subsidiary, has formed a joint venture with Saudi National Projects Investment (SNP) to enter the growing Saudi Arabian market.

Strong Leadership

Mr. R P Sinha (Founder, Chairperson, Whole-Time Director)

- ❖ Holds Master's degree in Chemical Engineering from Banaras Hindu University
- ❖ He has over 3 decades of experience in the cellulose and fine chemicals industry
- ❖ Has played an instrumental role in setting up of the wholly owned Subsidiary, Sigachi US Inc. and in expansion of our export operations



Mr. Chidambarnathan Shanmuganathan (Co-Founder, Whole-Time Director)

- ❖ Holds PG Diploma in business administration from Annamalai University
- ❖ Has over 5 decades of experience in the field of chemicals & derivatives of cellulose
- ❖ Has played an instrumental role in expanding the domestic operation & in setting up of manufacturing units in Gujarat



Mr. O Subbarami Reddy (Chief Financial Officer)

- ❖ He is a qualified Chartered Accountant and an MBA from Sikkim Manipal University
- ❖ Over 30 years of industry experience & over 20 years in pharmaceuticals and chemicals
- ❖ Overall, in-charge of the finance, accounts and compliance functions



Mr. Amit Raj Sinha (MD & CEO)

- ❖ He has an MBA from Indian School of Business, B. Tech & fellow member of the Institute of Engineers
- ❖ Served in Indian naval forces onboard warships & other vital defence installations
- ❖ Has over 20 years of experience in the pharma and fine chemicals & has played an instrumental role in strengthening the R&D Division



SIGACHI INDUSTRIES LTD

THANK YOU!

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