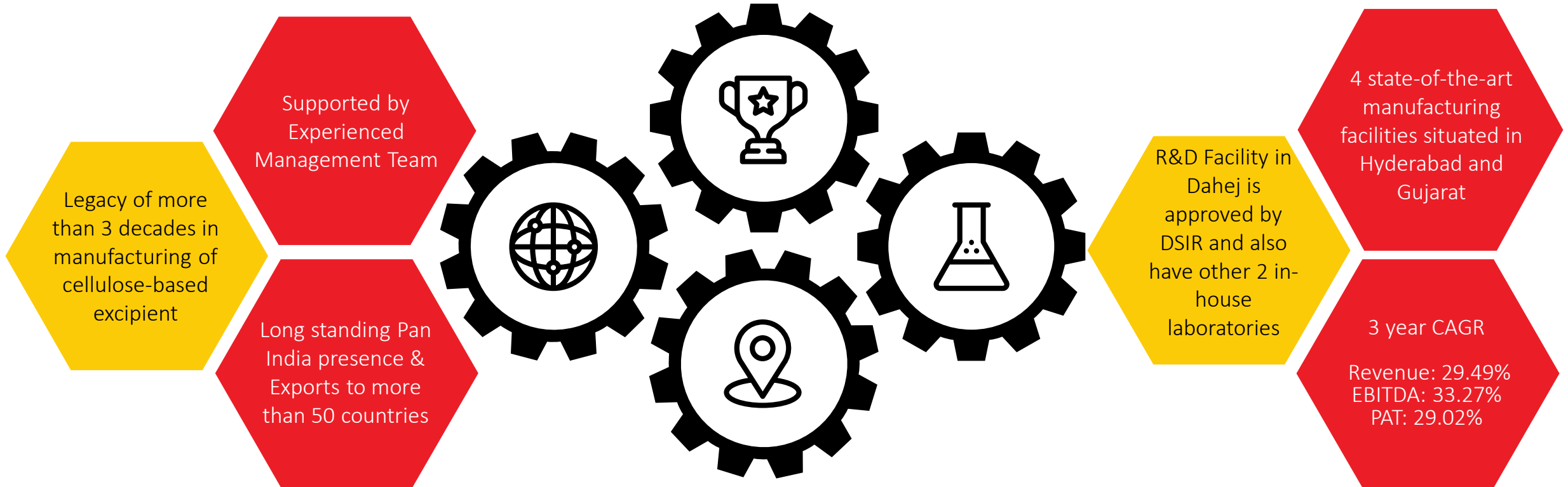




Sigachi Industries Limited

Earnings Presentation

Q2/H1-FY24



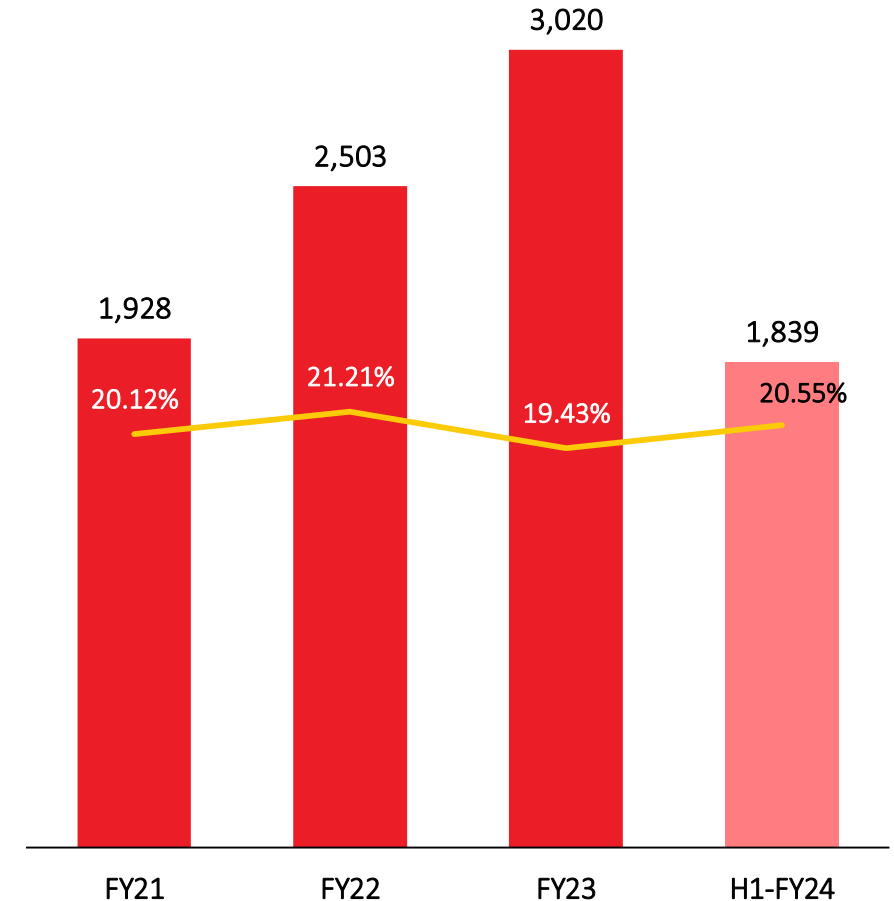


Company Overview



- 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 two 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 50 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 has an agreement with Gujarat Alkalies and Chemicals Limited (“GACL”) and also with Grasim Industries(Aditya Birla Group) 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



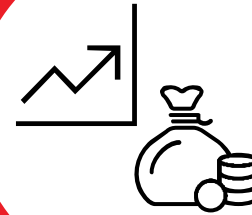
Presence across diverse industry verticals with long standing relationship with customers:

- 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
- Exporting products to over 50 countries worldwide, including regions of US, UK, Australia, EU region, Middle East and SE Asia



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 Dahej 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 4 multi locational manufacturing units namely, Hyderabad, Sultanpur unit TG ("Unit I"), Jhagadia, Gujarat ("Unit II") and Dahej, Gujarat ("Unit III") and Kurnool plant ("Unit IV") which helps provide timely, efficient and customized delivery of the products in terms with the specific demographic needs

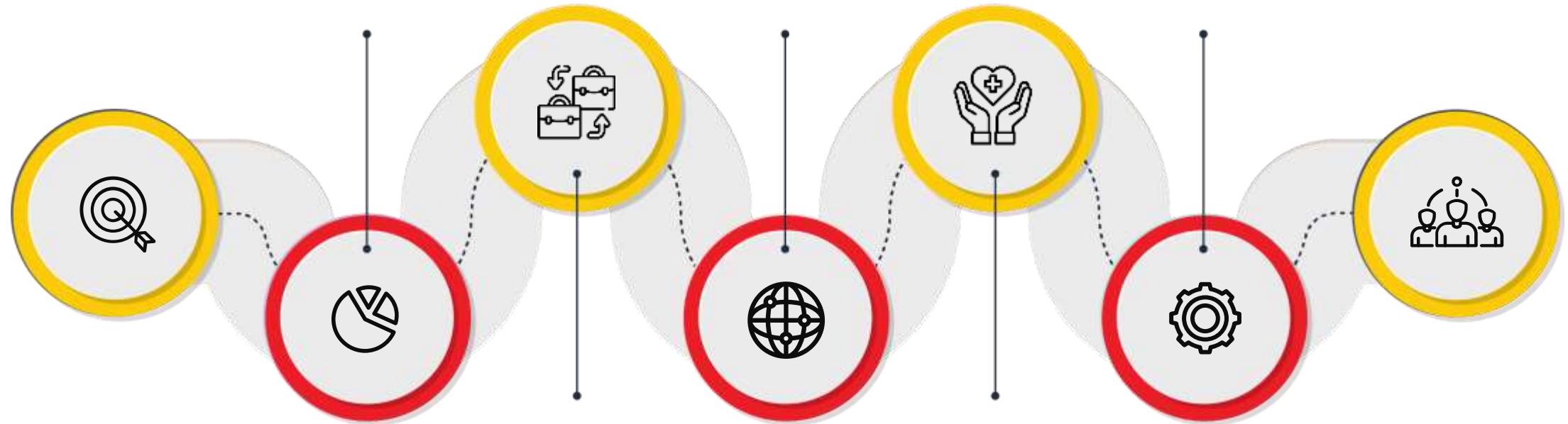


Strategy going forward

Diversifying Product Mix in Pharma:
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 Dahej 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- Food & Nutrition are integral to good health:
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.

Health Care Division :
Capture the growing Branded Generics & OTC market and cater to the increasing health expenditure in India through launch of various products in the healthcare sector

Dedicated Transformation office to oversee the Hyper growth:
Enhancing customer base through marketing efforts and customizing products for various applications as per requirements of customers



Financial Overview



Q1-FY24 Consolidated Highlights

Q2-FY24 Financial Highlights

<p>INR 992 MN Operating Income 20.2% YoY</p>	<p>INR 214 MN Operating EBITDA 13.2% YoY</p>	<p>21.67% Operating EBITDA Margins 191 Bps YoY</p>
<p>INR 151 MN Net Profit 11.00% YoY</p>	<p>115.22% PAT Margins (126) Bps YoY</p>	<p>INR 4.48/Share Diluted EPS 1.3% YoY</p>

H1-FY24 Operational Highlights

<p>INR 1,839 MN Operating Income 14.3% YoY</p>	<p>INR 378 MN Operating EBITDA 15.9% YoY</p>	<p>20.55% Operating EBITDA Margins 28 Bps YoY</p>
<p>INR 260 MN Net Profit (1.5)% YoY</p>	<p>14.13% PAT Margins (229) Bps YoY</p>	<p>INR 7.70/Share Diluted EPS 9.4% YoY</p>



Q2/H1- FY23 Operational Highlights



- The overall revenue in H1 experienced a robust YoY growth of 13.37%, escalating from INR 164.61 crores to INR 186.62 crores.
- The price of MCC exhibited a modest YoY growth of 1.07%, advancing from 208.55/Kg to 210.8/Kg in H1 FY 24 compared to H1 FY23.
- The quantity of MCC demonstrated a notable YoY growth of 3.63%, increasing from 7051 MT to 7307 MT in H1 FY 24 compared to H1 FY23.
- Sale of products increased to INR 166.46 Cr from previous corresponding Half Year H1 FY 23 of INR 149.95 crores
- 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.



Quarterly Consolidated Financial Performance



Particulars (INR Mn)	Q2-FY24	Q2-FY23	Y-o-Y	Q1-FY24	Q-o-Q
Operational Revenue	992	825	20.2%	847	17.1%
Total Expenses	778	662	17.5%	683	13.9%
EBITDA	214	163	31.2%	164	30.4%
<i>EBITDA Margin (%)</i>	21.57%	19.76%	181 Bps	19.36%	221 Bps
Depreciation and amortisation	25	21	19.0%	20	25.0%
Finance costs	18	12	50.0%	13	38.4%
Other Income	11	22	(50.0)%	16	(31.2)%
PBT	182	152	19.7%	147	23.8%
Tax Expense	31	16	93.7%	38	(18.4)%
PAT	151	136	11.0%	109	38.5%
<i>PAT Margin (%)</i>	15.22%	16.48%	(126) Bps	12.87%	235 Bps
Other Comprehensive Income	(1)	2	NA	-	NA
Total Comprehensive Income	150	138	8.7%	109	37.6%
Diluted EPS	4.48	4.42	1.3%	3.54	26.5%



Half Yearly Consolidated Financial Performance



Particulars (INR Mn)	H1-FY24	H1-FY23	Y-o-Y
Operational Revenue	1,839	1,608	14.4%
Total Expenses	1,461	1,282	14.0%
EBITDA	378	326	16.0%
<i>EBITDA Margin (%)</i>	20.55%	20.27%	28 Bps
Depreciation and amortisation	45	29	55.2%
Finance costs	31	17	82.4%
Other Income	27	38	(28.9)%
PBT	329	318	3.5%
Tax Expense	69	54	27.8%
PAT	260	264	(1.5)%
<i>PAT Margin (%)</i>	14.14%	16.42%	(228) Bps
Other Comprehensive Income	(1)	(6)	(83.3)%
Total Comprehensive Income	259	258	0.4%
Diluted EPS	7.70	8.5	(9.4)%



Historical Consolidated Financial Performance

Particulars (INR Mn)	FY21	FY22	FY23	H1-FY24
Operational Revenue	1,928	2,503	3,020	1,839
Total Expenses	1,540	1,972	2,433	1,461
EBITDA	388	531	587	378
<i>EBITDA Margin (%)</i>	<i>20.12%</i>	<i>21.21%</i>	<i>19.43%</i>	<i>20.55%</i>
Depreciation and amortisation	23	29	66	45
Finance costs	13	12	43	31
Other Income	33	26	67	27
PBT	385	516	545	329
Tax Expense	82	116	109	69
PAT	303	400	436	260
<i>PAT Margin (%)</i>	<i>15.72%</i>	<i>15.98%</i>	<i>14.43%</i>	<i>14.13%</i>
Other Comprehensive Income	1	(6)	1	(1)
Total Comprehensive Income	304	394	437	259
Diluted EPS	13.13	15.44	14.16	7.70



Historical Consolidated Balance Sheet

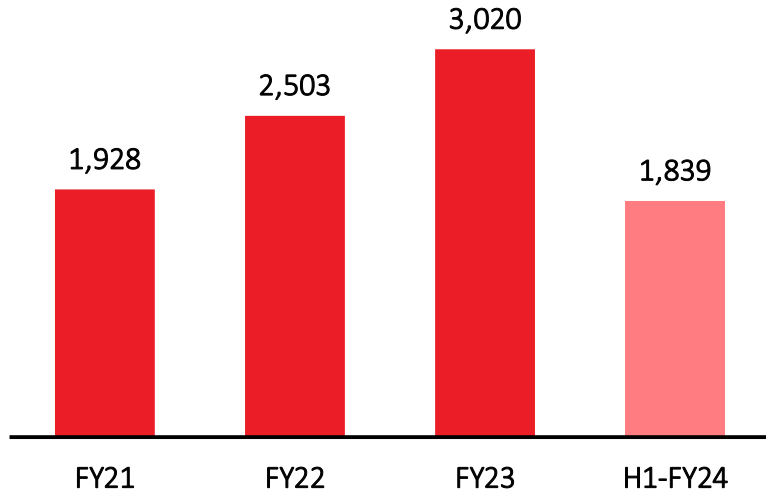
Particulars (INR Mn)	FY21	FY22	FY23	H1-FY24	Particulars (INR Mn)	FY21	FY22	FY23	H1-FY24
EQUITY	942	2,277	2,683	3,978	NON-CURRENT ASSETS	463	1,069	1,964	3,547
Equity Share Capital	77	307	307	307	a) Property, plant and equipment	376	527	960	1,702
Other Equity	865	1,970	2,376	3,671	b) Capital work-in-progress	37	97	349	649
NON-CURRENT LIABILITIES	70	76	308	503	c) Intangible assets	3	7	7	7
a) Financial Liabilities					d) Goodwill	-	-	-	435
i) Borrowings	19	12	10	183	e) Right of Use Assets	-	-	257	237
ii) Lease Liability	-	-	231	236	f) Financial assets				
b) Provisions	8	9	15	24	i) Investments	2	2	2	3
c) Deferred tax liabilities (net)	43	55	52	60	ii) Other Financial Assets	18	351	225	353
CURRENT LIABILITIES	322	515	747	1,897	g) Other non-current assets	27	85	164	161
a) Financial Liabilities					CURRENT ASSETS	871	1,799	1,774	2,831
i) Borrowings	183	332	395	519	a) Financial Assets				
ii) Lease Liabilities	-	-	41	22	i) Trade Receivables	358	601	802	943
iii) Trade Payables	80	106	208	165	ii) Cash and cash equivalents	159	291	137	923
iv) Other financial liabilities	7	6	9	9	iii) Bank balances other than above	21	403	190	189
b) Other current liabilities	43	59	94	1,183	iv) Other financial assets	100	128	69	97
c) Current tax liabilities (Net)	9	12	-	-	b) Other current assets	21	71	110	158
TOTAL LIABILITIES	392	591	1,055	2,400	c) Inventories	212	305	466	521
TOTAL EQUITY AND LIABILITIES	1,334	2,868	3,738	6,378	TOTAL ASSETS	1,334	2,868	3,738	6,378



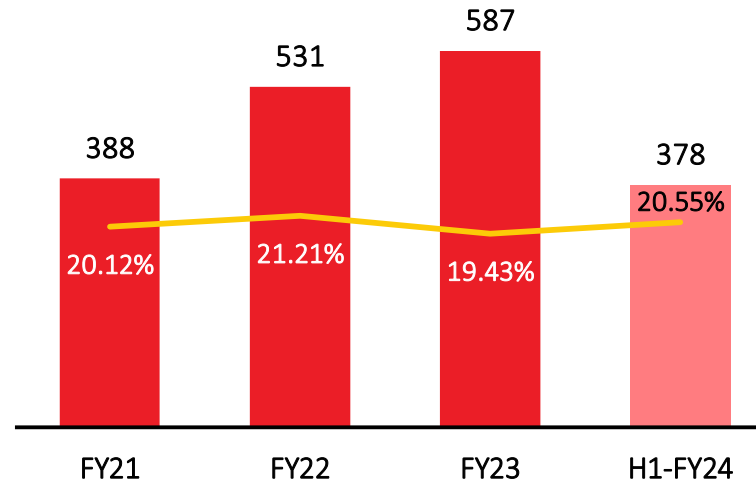
Consolidated Financial Highlights



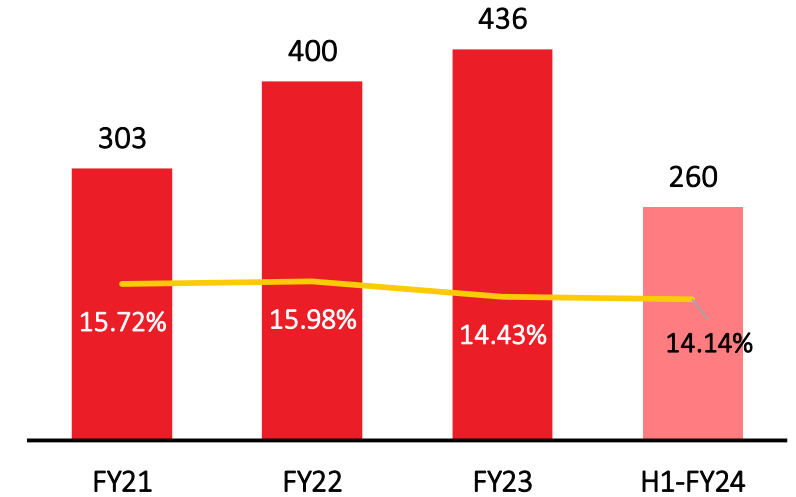
Operational Revenue (INR Mn)



EBIDTA (INR Mn) & EBITDA Margins (%)



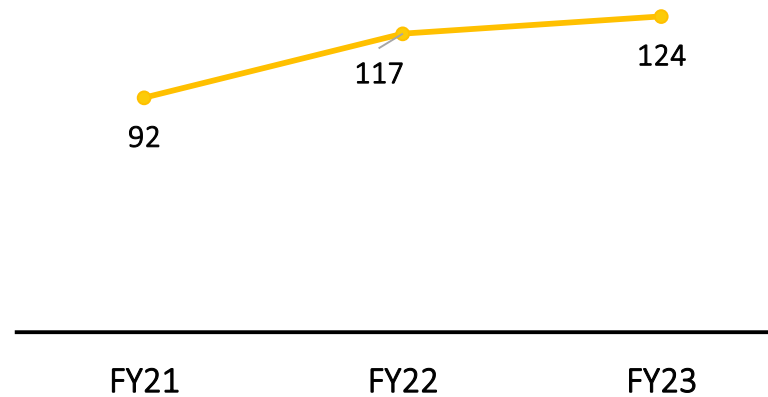
PAT (INR Mn) & PAT Margins (%)



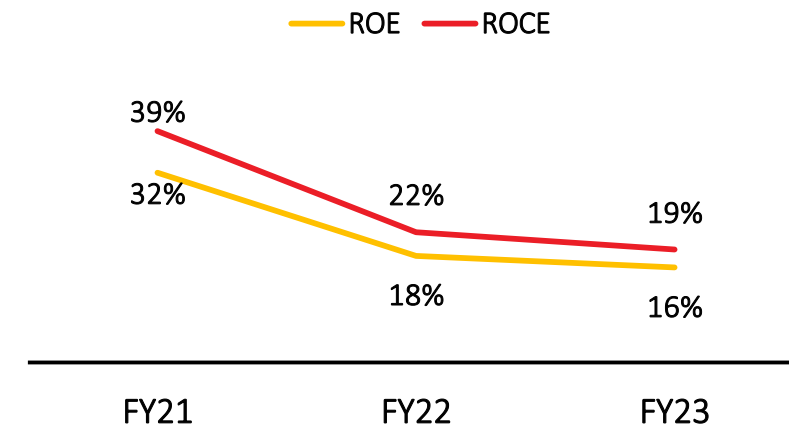
Net Debt to Equity (x)



Cash Conversion Cycle (Days)

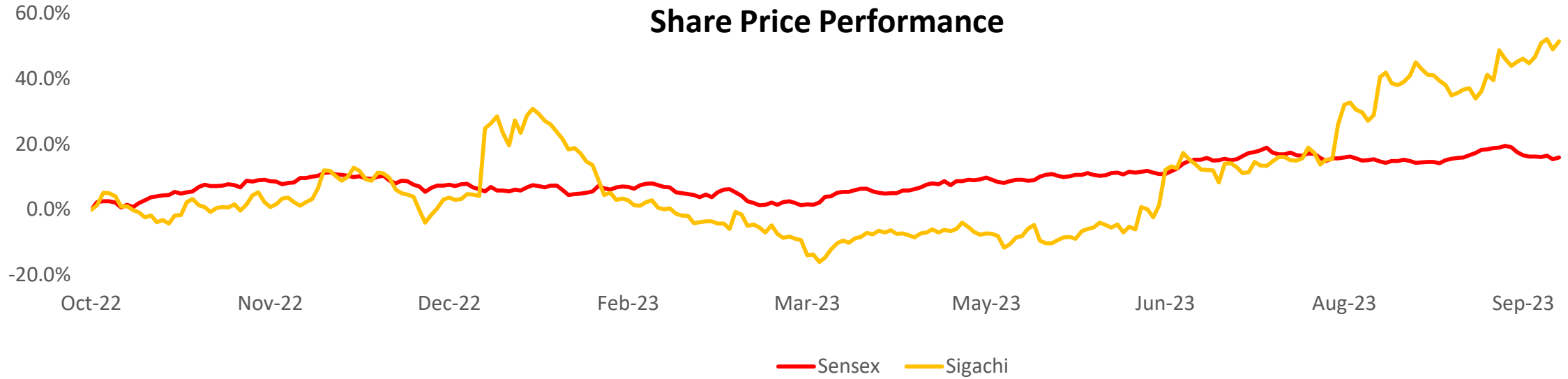


ROCE (%) and ROE(%)



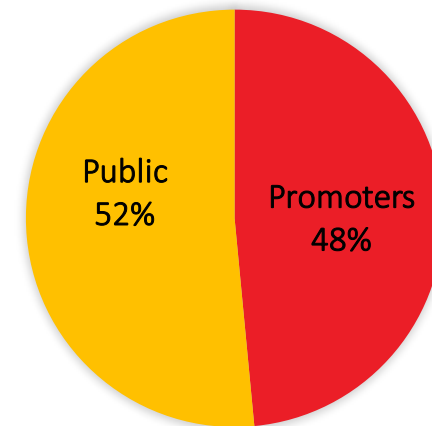


Share Price Performance



Market Data (INR) as on 30 th September, 2023	
Face Value	10.0
CMP	400.05
52 Week H/L	410.0/220.0
Market Cap (INR Mn)	12,298.54
Shares O/S (Mn)	30.7
Avg. Volume ('000)	266.73

Shareholding Pattern as on 30th September, 2023





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Thank You
