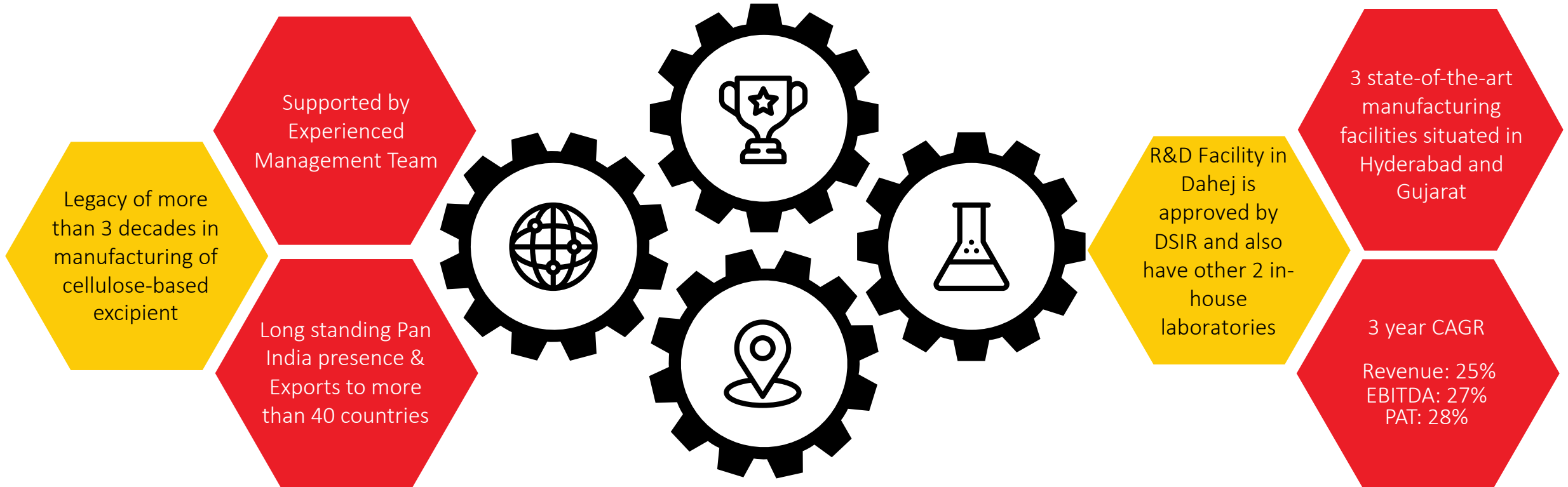




# Sigachi Industries Limited

Earnings Presentation

Q4-FY22/FY22

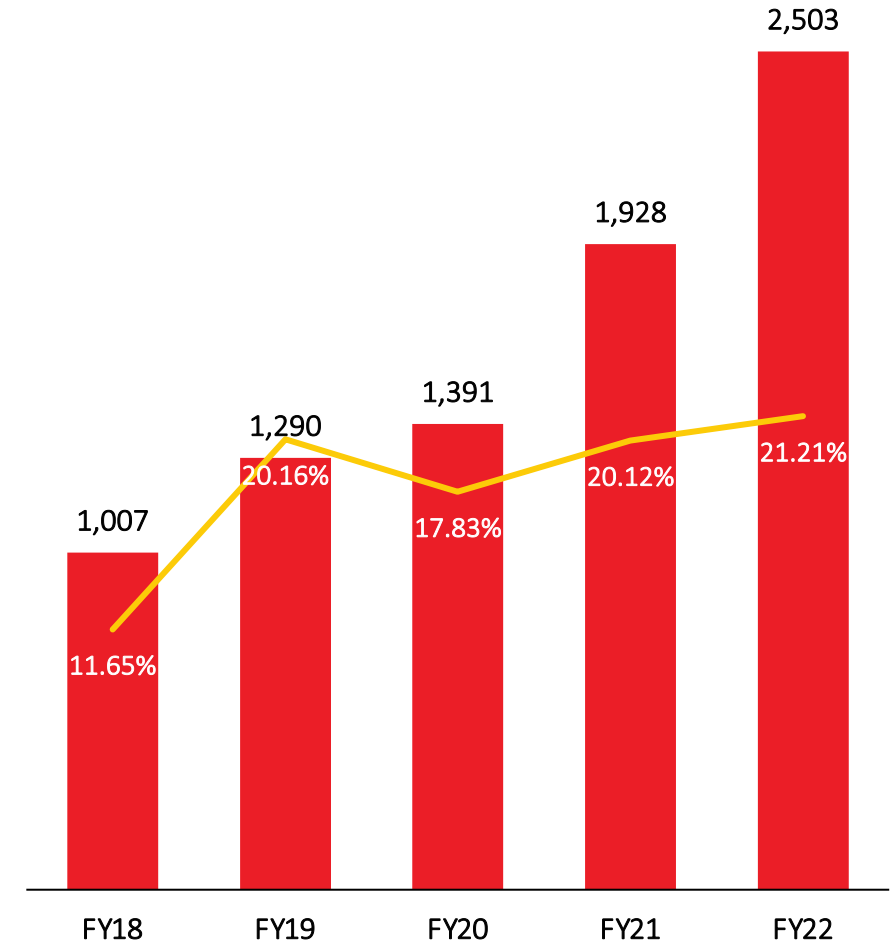




# Company Overview

- 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



**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



**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



**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



**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
- The R&D in Dahej has been approved by DSIR
- Possess 2 in-house laboratories



**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



# Financial Overview

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# Q4-FY22/FY22 Consolidated Financial Highlights

## Q4-FY22 Performance

<b>INR 725 Mn</b> Operating Income	<b>INR 146 Mn</b> Operating EBITDA	<b>20.14%</b> Operating EBITDA Margins
<b>INR 116 Mn</b> Net Profit	<b>16.00%</b> PAT Margins	<b>INR 4.49/Share</b> Diluted EPS

## FY22 Performance

<b>INR 2,503 Mn</b> Operating Income	<b>INR 531 Mn</b> Operating EBITDA	<b>21.21%</b> Operating EBITDA Margins
<b>INR 400 Mn</b> Net Profit	<b>15.98%</b> PAT Margins	<b>INR 15.44/Share</b> Diluted EPS



# Q4-FY22/FY22 Operational Highlights

- Revenue growth of 40.23% in Q4-FY22 on a YoY basis was mainly driven by increased demand for MCC across all industries, with **volume growth of ~13%**, and **realisation growth of ~19%**
- Successful passing on of higher input costs to customers and increased capacities to some extent improved the margins on a QoQ basis.
- The blended capacity utilization across all the three plants increased to 93.27% in FY22 as compared to 89.29% in FY21.
- Sale of exports of products increased to 75.43% in FY22 from previous year of 73.60% with continuous efforts to enhance the global client base through marketing efforts and customizing products for various applications as per requirements of customers.
- The 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 resulted in increase of EBITDA and Profitability for FY22.
- The consumption of material has reduced to 48% from 52% due to adoption of cost effective process and favorable product mix.
- Company expects that the growth trend will continue with current profitability at sustainable levels.
- Furthermore, capacities of around 7000 MT will be added during the latter part of FY23 which will contribute to the additional revenue growth in the coming financial years.





# Quarterly Consolidated Financial Performance

Particulars (INR Mn)	Q4-FY22	Q4-FY21	Y-o-Y	Q3-FY22	Q-o-Q
Operational Revenue	725	517	40.23%	656	10.52%
Total Expenses	579	403	43.67%	530	9.25%
EBITDA	146	114	28.07%	126	15.87%
<i>EBITDA Margin (%)</i>	<i>20.14%</i>	<i>22.05%</i>	<i>(191) bps</i>	<i>19.21%</i>	<i>93 bps</i>
Depreciation and amortisation	8	6	33.33%	7	14.29%
Finance costs	4	2	100.00%	3	66.67%
Other Income	17	6	-	5	-
PBT	151	112	34.82%	121	24.79%
Tax Expense	35	21	66.67%	26	34.62%
PAT	116	91	27.47%	95	22.11%
<i>PAT Margin (%)</i>	<i>16.00%</i>	<i>17.60%</i>	<i>(160) bps</i>	<i>14.48%</i>	<i>152 bps</i>
Diluted EPS	4.49	3.97	13.10%	3.86	16.32%





# Annual Consolidated Financial Performance

Particulars (INR Mn)	FY22	FY21	Y-o-Y
Operational Revenue	2,503	1,928	29.82%
Total Expenses	1,972	1,540	28.05%
EBITDA	531	388	36.86%
<i>EBITDA Margin (%)</i>	<i>21.21%</i>	<i>20.12%</i>	109 bps
Depreciation and amortisation	29	23	26.09%
Finance costs	12	13	-
Other Income	26	33	NA
PBT	516	385	34.03%
Tax Expense	116	82	41.46%
PAT	400	303	32.01%
<i>PAT Margin (%)</i>	<i>15.98%</i>	<i>15.72%</i>	26 bps
Diluted EPS	15.44	13.13	17.59%



# Historical Consolidated Financial Performance

Particulars (INR Mn)	FY19	FY20	FY21	FY22
Operational Revenue	1,290	1,391	1,928	2503
Total Expenses	1,030	1,143	1,540	1972
EBITDA	260	248	388	531
<i>EBITDA Margin (%)</i>	<i>20.16%</i>	<i>17.83%</i>	<i>20.12%</i>	<i>21.21%</i>
Depreciation and amortisation	17	20	23	29
Finance costs	35	23	13	12
Other Income	39	48	33	26
PBT	247	253	385	516
Tax Expense	57	50	82	116
PAT	190	203	303	400
<i>PAT Margin (%)</i>	<i>14.73%</i>	<i>14.59%</i>	<i>15.72%</i>	<i>15.98%</i>
Diluted EPS	8.25	8.81	13.13	15.44



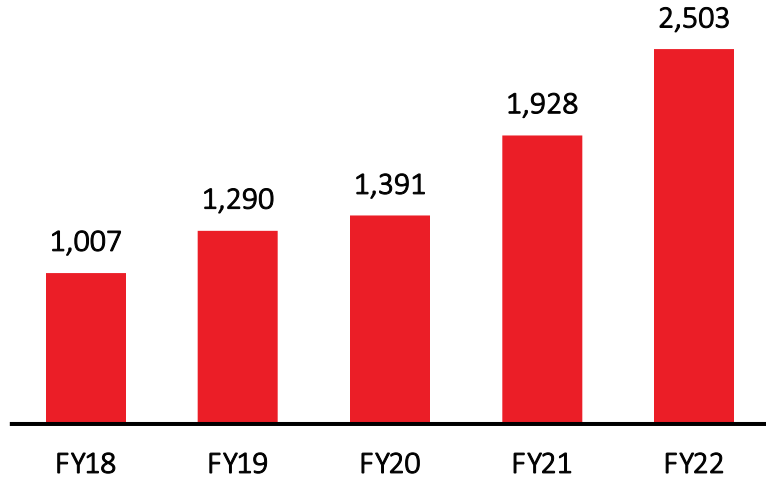
# Historical Consolidated Balance Sheet

Particulars (INR Mn)	FY20	FY21	FY22
<b>EQUITY</b>	<b>646</b>	<b>942</b>	<b>2277</b>
Equity Share Capital	77	77	307
Other Equity	569	865	1970
<b>NON-CURRENT LIABILITIES</b>	<b>55</b>	<b>70</b>	<b>76</b>
a) Financial Liabilities			
i) Borrowings	19	19	12
b) Provisions	7	8	9
c) Deferred tax liabilities (net)	29	43	55
<b>CURRENT LIABILITIES</b>	<b>390</b>	<b>322</b>	<b>515</b>
a) Financial Liabilities			
i) Borrowings	270	183	332
ii) Trade Payables	72	80	106
iii) Other financial liabilities	14	7	6
b) Other current liabilities	33	43	59
c) Provisions	1	9	12
<b>TOTAL LIABILITIES</b>	<b>445</b>	<b>392</b>	<b>591</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,091</b>	<b>1,334</b>	<b>2,868</b>

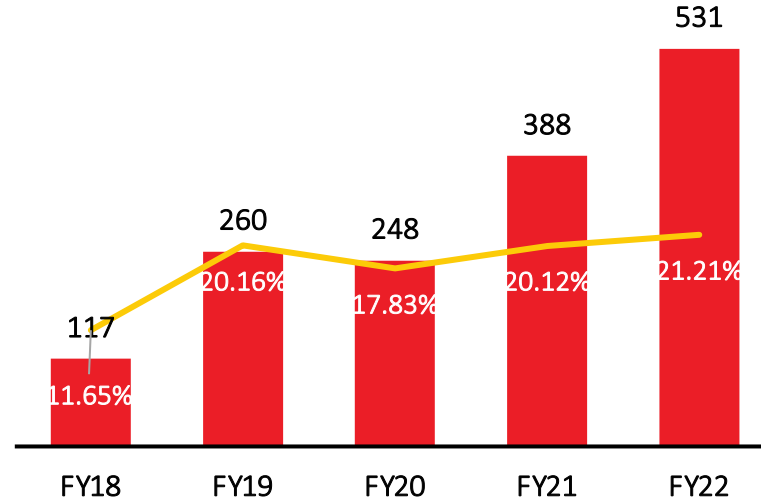
Particulars (INR Mn)	FY20	FY21	FY22
<b>NON-CURRENT ASSETS</b>	<b>371</b>	<b>463</b>	<b>1069</b>
a) Property, plant and equipment	312	376	527
b) Capital work-in-progress	31	37	97
c) Intangible assets	4	3	7
d) Financial assets			
i) Investments	-	2	2
ii) Other Financial Assets	14	18	351
e) Other non-current assets	10	27	85
<b>CURRENT ASSETS</b>	<b>720</b>	<b>871</b>	<b>1799</b>
a) Financial Assets			
i) Trade Receivables	276	358	601
ii) Cash and cash equivalents	88	159	291
iii) Bank balances other than above	18	21	403
iv) Other financial assets	46	100	128
b) Other current assets	13	21	71
c) Inventories	279	212	305
<b>TOTAL ASSETS</b>	<b>1,091</b>	<b>1,334</b>	<b>2,868</b>

# Consolidated Financial Highlights

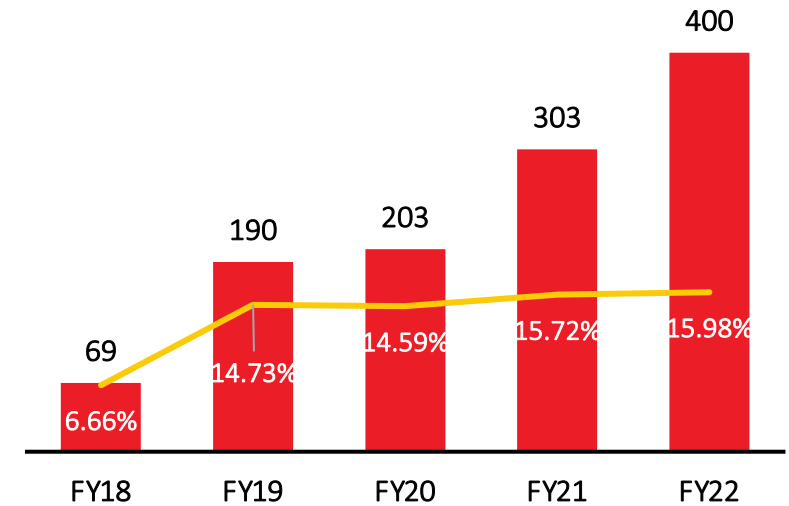
Operational Revenue (INR Mn)



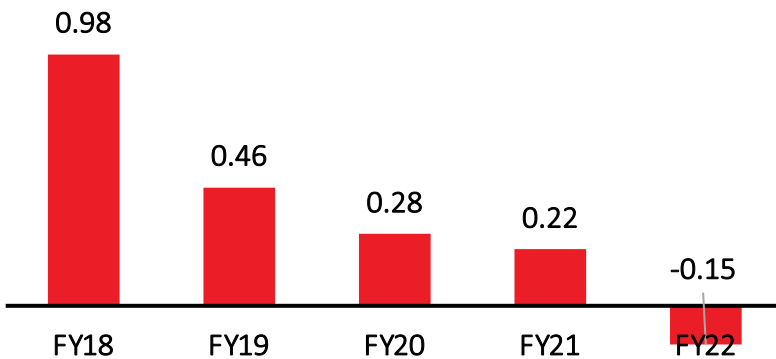
EBIDTA (INR Mn) & EBITDA Margins (%)



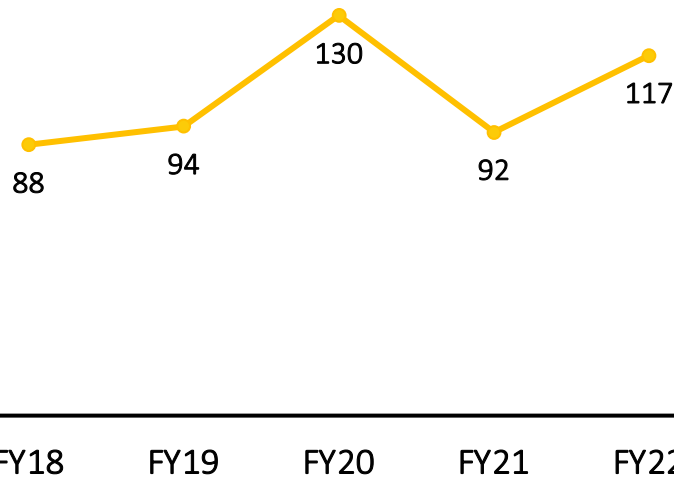
PAT (INR Mn) & PAT Margins (%)



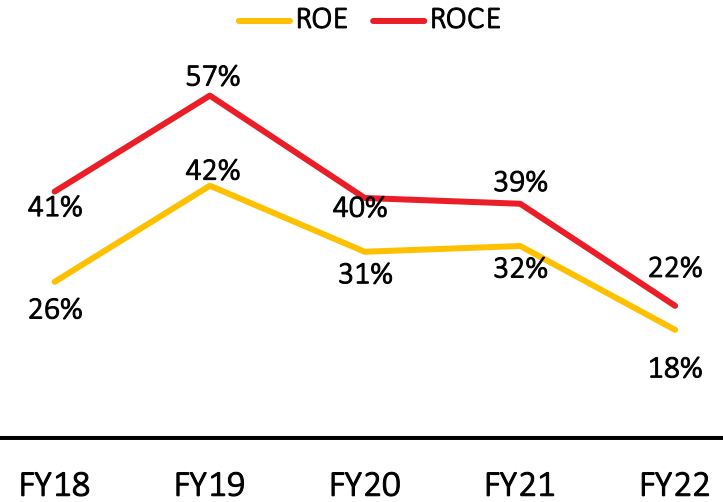
Net Debt to Equity (x)



Cash Conversion Cycle (Days)



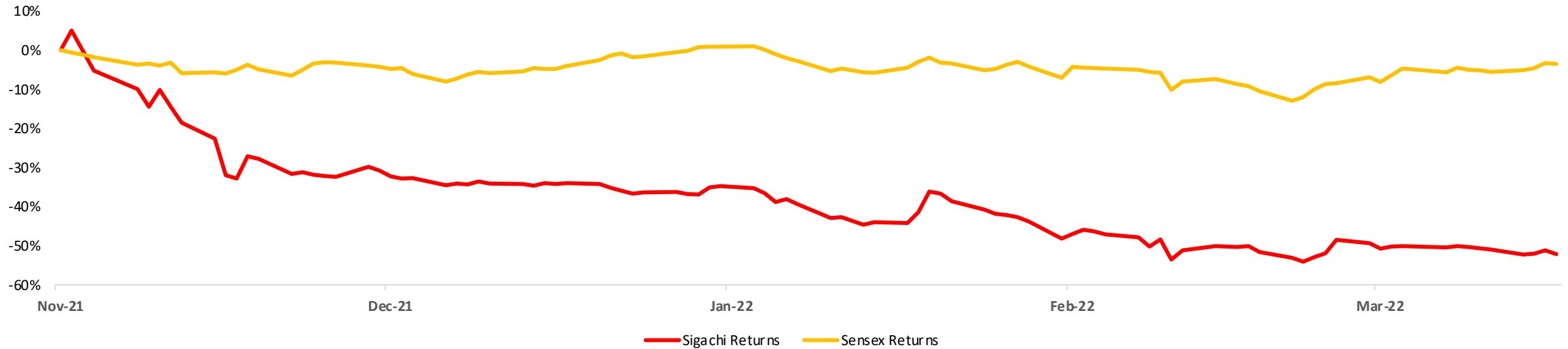
ROCE (%) and ROE (%)





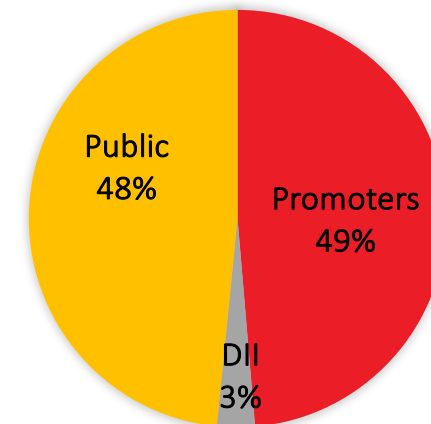
# Capital Market Information

### Share Price Movement (Up to 31<sup>st</sup> March, 2022)



Market Data (INR) as on 31 <sup>st</sup> March, 2022	
Face Value	10.0
CMP	289.2
52 Week H/L	648.0 / 270.0
Market Cap (INR Mn)	8877
Shares O/S (Mn)	30.7
Avg. Vol. Since Listing ('000)	429.6

### Shareholding Pattern as on 31<sup>st</sup> March, 2022





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Thank You

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