



SIGACHI INDUSTRIES LIMITED

CIN : U24110TG1989PLC009497

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



Date: 15.05.2022

To,

| | |
|--|--|
| 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) |
|--|--|

Dear Sir/Madam,

Sub: Earnings Presentation on Q4 FY 2022

Unit: Sigachi Industries Limited

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 Q4 FY 2022 results. The same is also updated 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: 2022.05.15
21:59:42 +05'30'

Shreya Mitra
Company Secretary and Compliance Officer

Encl: As above.

Registered Office:
229/1 & 90, 2nd Floor,
Kalyans Tulasiram Chambers,
Madinaguda, Hyderabad - 49,
Telangana State, India.
Email : mktg.gm@sigachi.com
Customer Service +91 40 40114874-76

Unit-1:
Plot No. 20-21
IDA Pasamailaram
Phase I, Sangareddy Dist.
Telangana State, India

Unit-2:
Plot No. Z-16, SEZ Unit
Dahej SEZ Part I
Bharuch Dist.
Gujarat, India

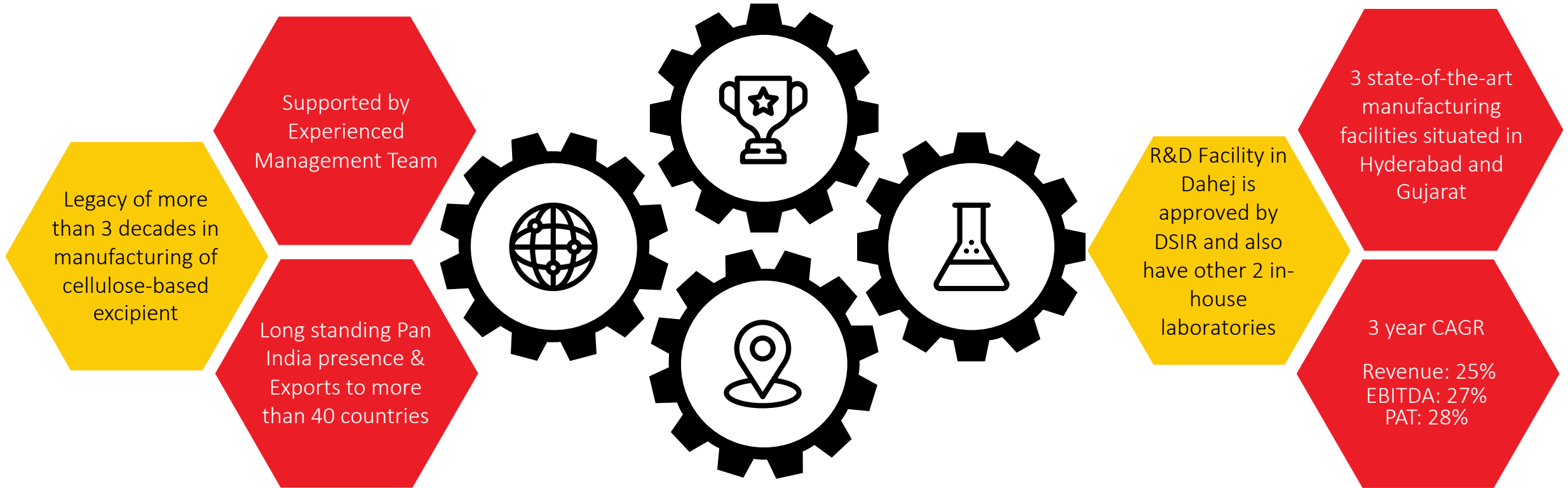
Unit-3:
Plot No. 763/2
Jhagadia GIDC
Bharuch Dist,
Gujarat, India



Sigachi Industries Limited

Earnings Presentation

Q4-FY22/FY22

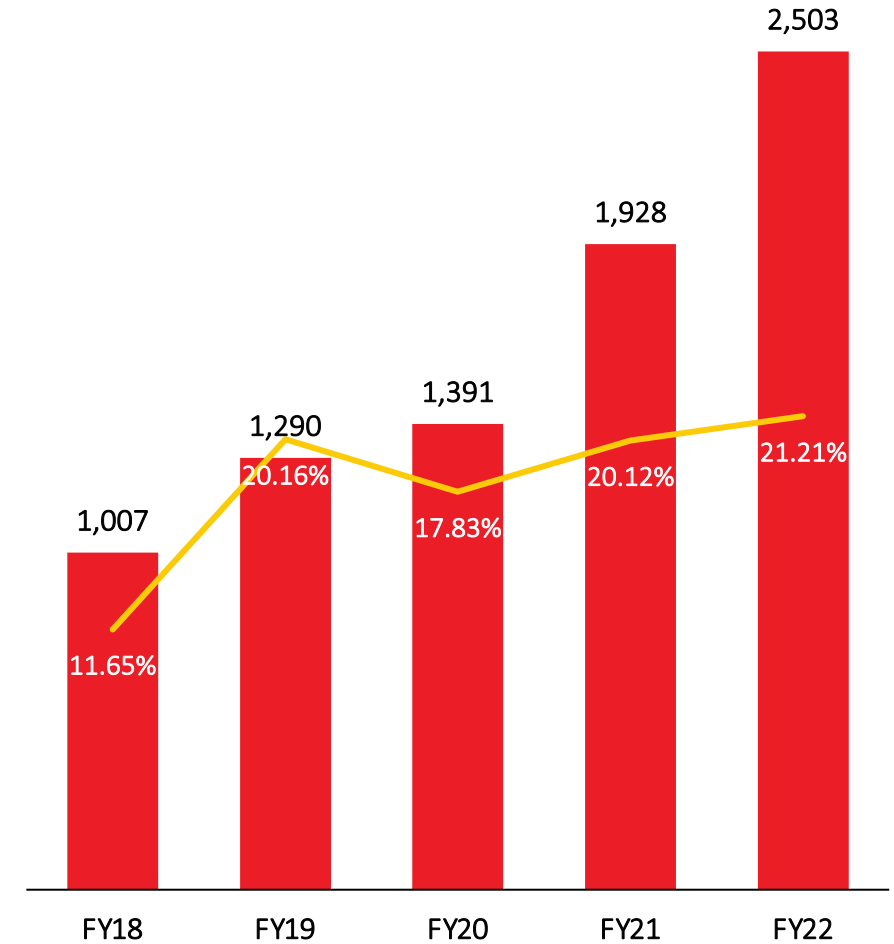




Company Overview

- 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



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



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



Financial Overview



Q4-FY22/FY22 Consolidated Financial Highlights

Q4-FY22 Performance

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

FY22 Performance

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

- 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 |



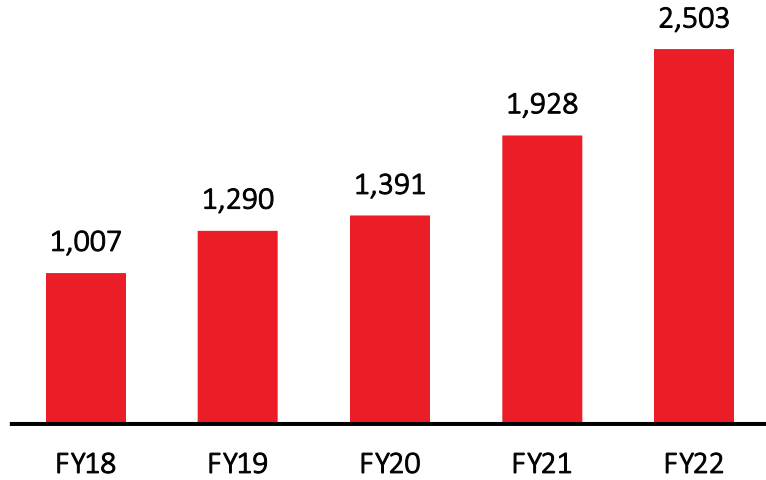
Historical Consolidated Balance Sheet

| Particulars (INR Mn) | FY20 | FY21 | FY22 |
|-------------------------------------|--------------|--------------|--------------|
| EQUITY | 646 | 942 | 2277 |
| Equity Share Capital | 77 | 77 | 307 |
| Other Equity | 569 | 865 | 1970 |
| NON-CURRENT LIABILITIES | 55 | 70 | 76 |
| a) Financial Liabilities | | | |
| i) Borrowings | 19 | 19 | 12 |
| b) Provisions | 7 | 8 | 9 |
| c) Deferred tax liabilities (net) | 29 | 43 | 55 |
| CURRENT LIABILITIES | 390 | 322 | 515 |
| 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 |
| TOTAL LIABILITIES | 445 | 392 | 591 |
| TOTAL EQUITY AND LIABILITIES | 1,091 | 1,334 | 2,868 |

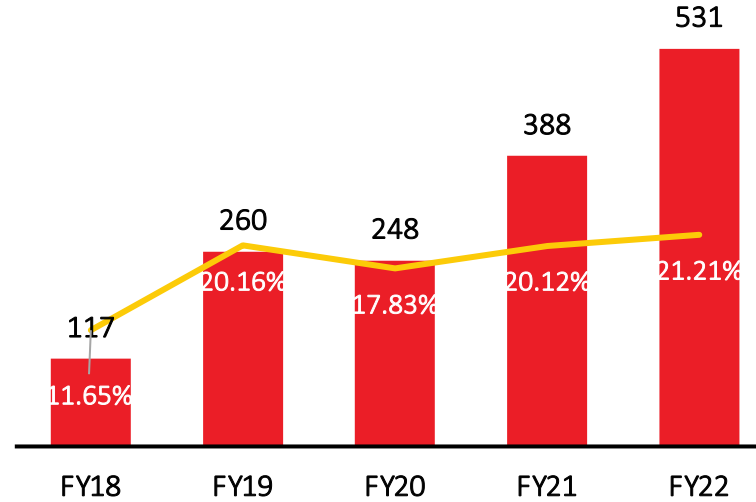
| Particulars (INR Mn) | FY20 | FY21 | FY22 |
|-------------------------------------|--------------|--------------|--------------|
| NON-CURRENT ASSETS | 371 | 463 | 1069 |
| a) Property, plant and equipment | 312 | 376 | 527 |
| b) Capital work-in-progress | 31 | 37 | 97 |
| c) Intangible assets | 4 | 3 | 7 |
| d) Financial assets | | | |
| i) Investments | - | 2 | 2 |
| ii) Other Financial Assets | 14 | 18 | 351 |
| e) Other non-current assets | 10 | 27 | 85 |
| CURRENT ASSETS | 720 | 871 | 1799 |
| 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 |
| TOTAL ASSETS | 1,091 | 1,334 | 2,868 |

Consolidated Financial Highlights

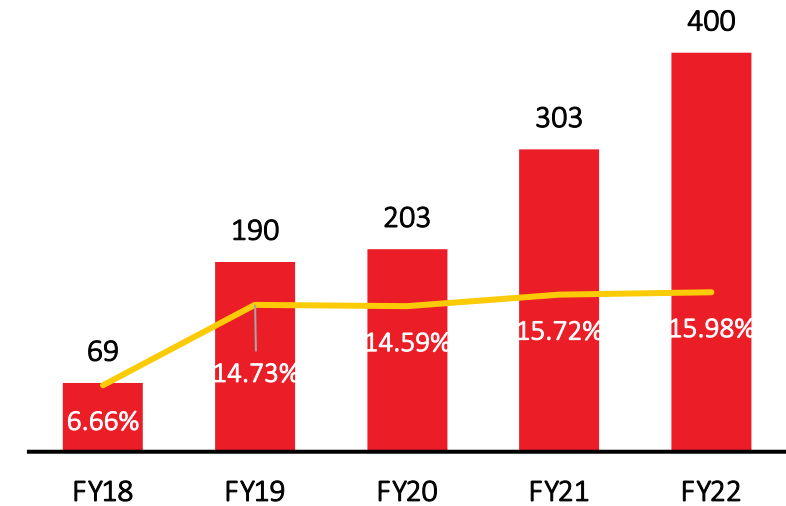
Operational Revenue (INR Mn)



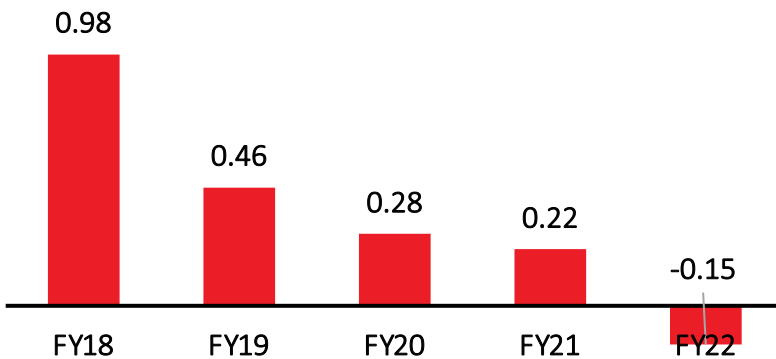
EBIDTA (INR Mn) & EBITDA Margins (%)



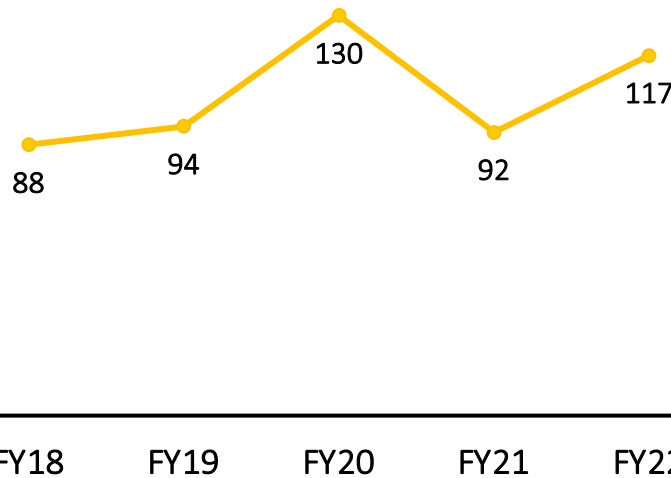
PAT (INR Mn) & PAT Margins (%)



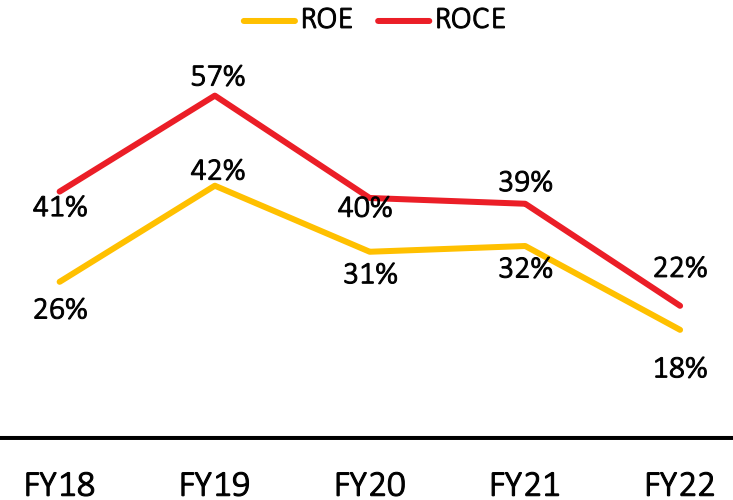
Net Debt to Equity (x)



Cash Conversion Cycle (Days)



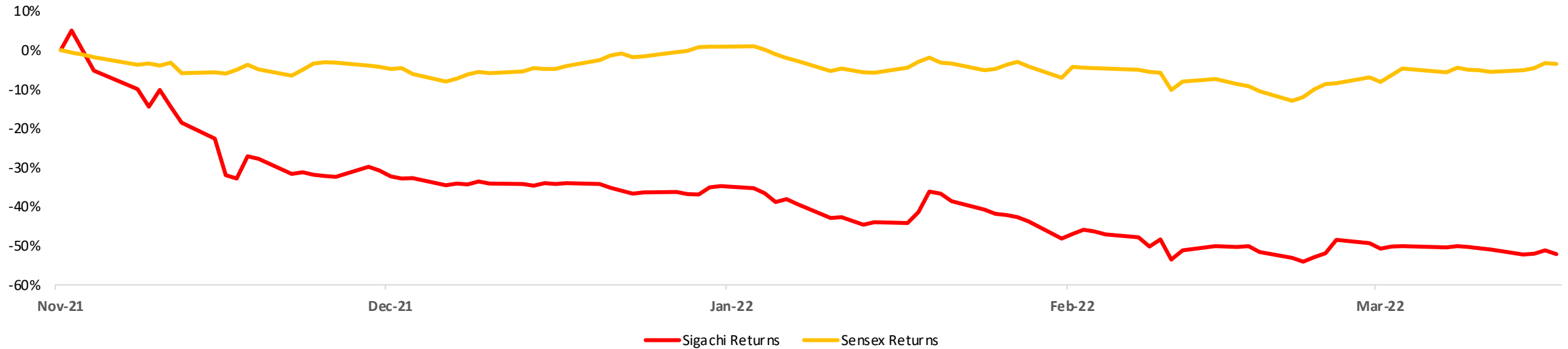
ROCE (%) and ROE (%)





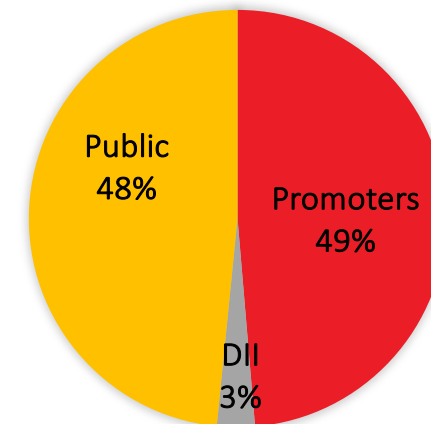
Capital Market Information

Share Price Movement (Up to 31st March, 2022)



| Market Data (INR) as on 31 st 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 31st March, 2022





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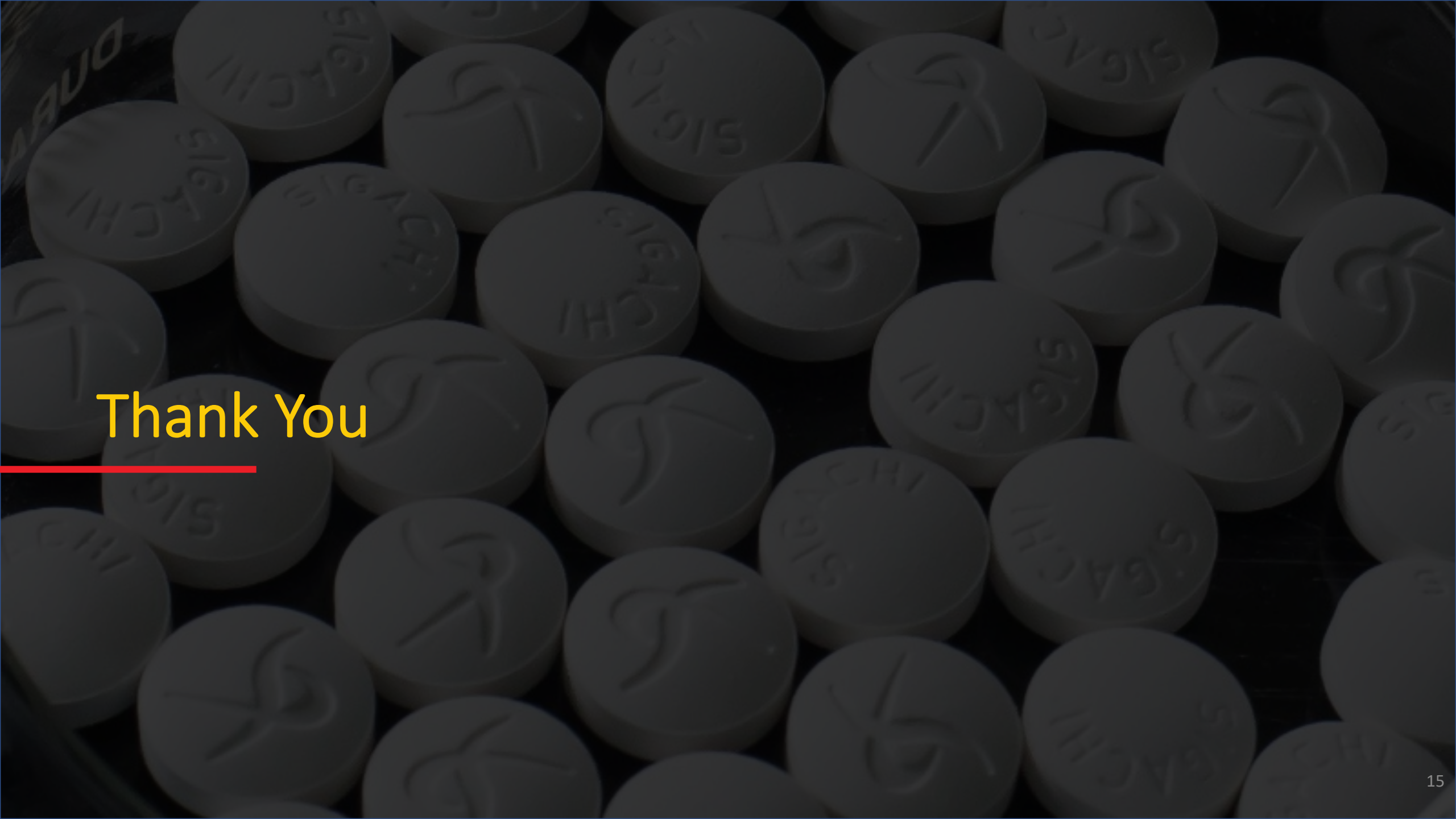
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Email: sigachi@valoremadvisors.com



Thank You
