

NEAPS/BSE ONLINE

28th January, 2022

**The Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers,
1st Floor, New Trading Ring
Rotunda, Dalal Street,
Mumbai – 400001**

**Listing Department
National Stock Exchange of India Limited
Plot No. C/1, Block-G
Exchange Plaza, 5th Floor,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400051**

Dear Sir/Madam,

Sub: Investors' Presentation-Q3 FY 2021-2022

This is in continuation to our earlier letter dated 27th January, 2022 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the copy of Investors' Presentation on the Un-audited Financial Results of the Company for the third quarter and nine months ended 31st December, 2021.

Investors' Presentation will also be available on the website of the Company i.e. www.hsilgroup.com.

You are requested to take the enclosed document on your record.

Thanking you,

For HSIL LIMITED



(Pulkit Bhasin)
Company Secretary

Name: Pulkit Bhasin
Address: 301-302, 3rd Floor, Park Centra, Sector-30, Gurugram-122001
Membership No.: 27686

Encl: As above

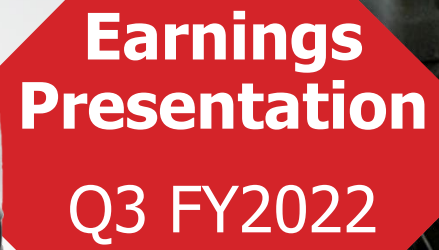
HSIL Limited

Corporate Office: 301-302, 3rd Floor, Park Centra, Sector-30, NH 8, Gurugram, Haryana-122 001, India. T. +91 124 477 9200

Registered Office: 2, Red Cross Place, Kolkata-700001, West Bengal, India. T. +91 33-22487407/5668

hsilinvestors@hsilgroup.com | www.hsilgroup.com | CIN: L51433WB1960PLC024539

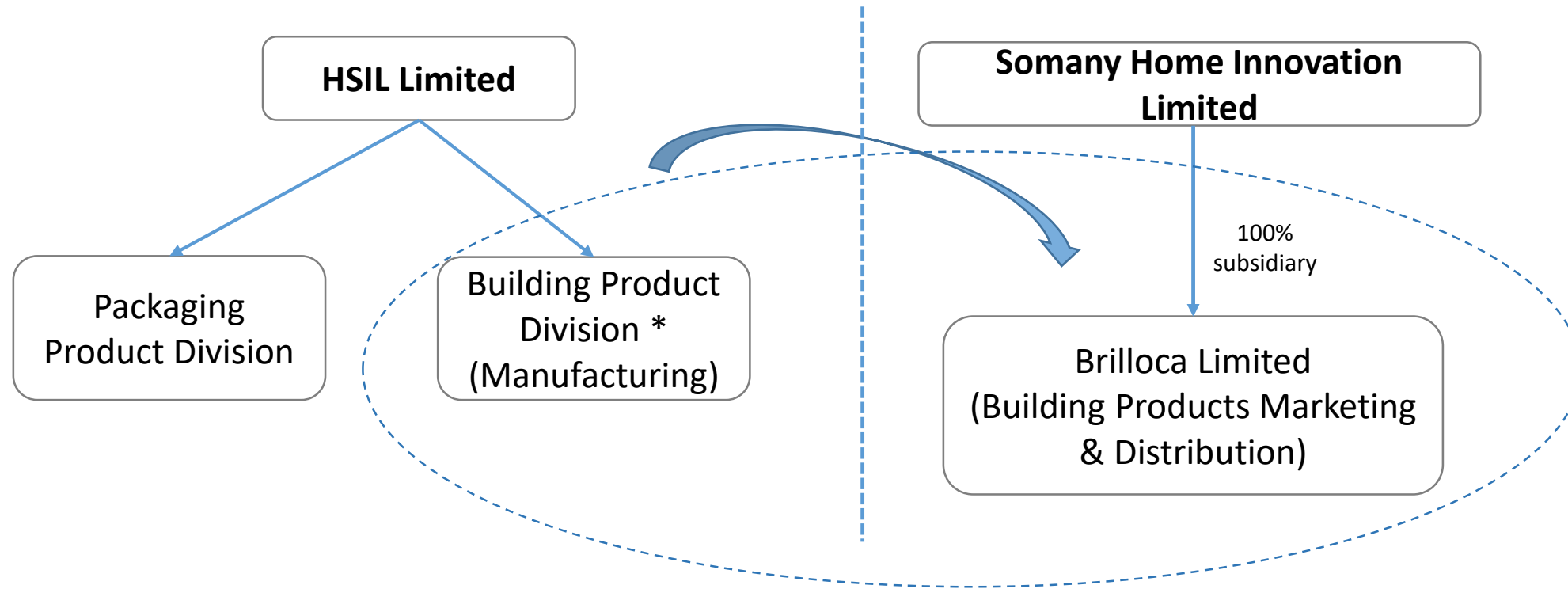


The HSIL logo is positioned in the top right corner of the image. It features the letters 'HSIL' in a bold, white, sans-serif font. A red horizontal line is positioned above the letter 'S', extending from the left edge of the 'H' to the right edge of the 'S'.A red diamond-shaped graphic is located in the center-left of the image. Inside this diamond, the text 'Earnings Presentation' is written in a white, bold, sans-serif font. Below it, 'Q3 FY2022' is written in a smaller, white, sans-serif font.The text 'PACKAGING EXCELLENCE' is on the top line and 'GEARED FOR GROWTH' is on the bottom line. Both lines are in a bold, white, sans-serif font. The background of this text is a dark, industrial setting with a conveyor belt of glass bottles.The website address 'www.hsilgroup.com' is written in a white, sans-serif font. It is located in the bottom left corner of the image, within a blue diamond-shaped graphic.

HSIL transforms to a focused Packaging Company



Slump sale of Building Product Division of HSIL for a Cash Consideration of ₹630 Crore#



*Excluding following assets: (a) Entire Land & buildings at Bahadurgarh Sanitaryware facility, (b) Entire land and building at Isnapur Pipes plant facility, (c) Around 22 acres vacant land at Bibinagar Sanitaryware facility and (d) Faucet manufacturing plant (Non-operating for long time) at Bhiwadi. (a) and (b) above to be given on long term lease to Brilloca Limited

Transaction expected to close with customary closing date adjustment on or before 31st March 2022, subject to necessary approvals



1 HSIL Transformation to a focused Packaging Company

2 Accelerated Business Growth by capitalizing on opportunities - Organic and Inorganic

3 Minimize the Related Party Transactions between Both Entities

4 Unlocking Value for All Stakeholders

Transaction
Strategic
Rationale

Commenting on the Transaction, Mr. Sandip Somany, Vice Chairman and Managing Director of HSIL:



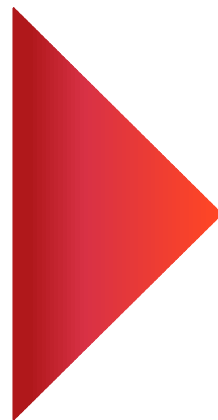
“This transaction will have a transformative impact on the market positioning and growth prospects of HSIL.

The company will emerge as a focused packaging company, well-positioned to implement its strategic plans to drive the packaging business and continue to unlock value for all stakeholders.

The cash proceeds will be used to pre-pay existing bank borrowings and increase cash reserves.”



Q3 & 9M FY22 Results Update



Total Income

₹1,631 crore

9M FY21 : ₹1,242 crore



31.3% Y-o-Y

EBITDA

₹251 crore

9M FY21 : ₹206 crore



21.6% Y-o-Y

Margins : **15.4%**

EBIT

₹157 crore

9M FY21 : ₹115 crore



36.6% Y-o-Y

Margins : **9.6%**

Packaging Products Division

Revenue

₹999 crore

Revenue Share : **62%**
9M FY21 : ₹840 crore



18.9%
Y-o-Y

EBIT

₹162 crore

Margins : **16.2%**
9M FY21 : ₹122 crore



32.8%
Y-o-Y

Building Products Division

Revenue

₹603 crore

Revenue Share : **38%**
9M FY21 : ₹377 crore



59.9%
Y-o-Y

EBIT

₹16 crore

Margins : **2.6%**
9M FY21 : ₹(6) crore



Note: All margins are calculated on Total Income
Difference in Entity and Segment EBIT due to un-allocable expenses



Total Income

₹645 crore

Q3 FY21 : ₹548 crore



17.7% Y-o-Y

EBITDA

₹96 crore

Q3 FY21 : ₹101 crore



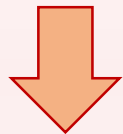
(5.1)% Y-o-Y

Margins : 14.8%

EBIT

₹61 crore

Q3 FY21 : ₹70 crore



(12.9)% Y-o-Y

Margins : 9.4%

Packaging Products Division

Revenue

₹398 crore

Revenue Share : 62%
Q3 FY21 : ₹361 crore



10.2%
Y-o-Y

EBIT

₹60 crore

Margins : 15.2%
Q3 FY21 : ₹64 crore



(5.1)%
Y-o-Y

Building Products Division

Revenue

₹243 crore

Revenue Share : 38%
Q3 FY21 : ₹179 crore



35.5%
Y-o-Y

EBIT

₹7 crore

Margins : 3.0%
Q3 FY21 : ₹10 crore



(24.4)%
Y-o-Y

Margins got impacted in Q3FY22 due to spurt in input commodity prices - expected to be passed on in the coming quarters

Note: All margins are calculated on Total Income
Difference in Entity and Segment EBIT due to un-allocable expenses



Packaging Products

62% Revenue
Contribution

Building Products

38% Revenue
Contribution

Key Highlights :

- Our Glass container business continues to see good traction owing to improved realizations, better product mix, and increased sales volume.
- EBIT margins stood at 15.2% in Q3 FY2022 compared to 17.6% in Q3 FY2021, steady increase in revenue with margins impacted due to increasing input and fuel cost
- Situation expected to normalize going ahead, supported by partial cost absorption by the market
- With the completion of relining of the furnace, Glass container capacity utilization during the quarter was 92% as compared to 83% in the same quarter last year and 66% in the previous quarter

Key Highlights:

- All our plants are operational, and the capacity utilization levels have increased on a sequential basis
- Topline saw improvement on both sequential and year-on-year basis driven by favorable macro-economic factors and improving consumer demand



₹ in crore)	Q3		Y-o-Y	Q2	Q-o-Q	Nine Months		Y-o-Y
	FY2022	FY2021	Growth (%)	FY2022	Growth (%)	FY2022	FY2021	Growth (%)
Income from Operations	638.8	541.5	18.0%	546.2	16.9%	1,601.1	1,219.4	31.3%
Other Income	5.9	6.1	(3.6)%	19.9	(70.4)%	29.5	23.0	
Total Income	644.6	547.6	17.7%	566.1	13.9%	1,630.7	1,242.3	31.3%
EBITDA	95.5	100.7	(5.1)%	90.8	5.2%	251.0	206.4	21.6%
Margins (%)	14.8%	18.4%		16.0%		15.4%	16.6%	
EBIT	60.7	69.7	(12.9)%	63.4	(4.2)%	157.2	115.1	36.6%
Margins (%)	9.4%	12.7%		11.2%		9.6%	9.3%	
PAT	28.5	35.9	(20.7)%	30.4	(6.3)%	70.2	55.0	27.5%
Margins (%)	4.4%	6.6%		5.4%		4.3%	4.4%	
Adjusted PAT*	28.5	35.9	(20.7)%	30.4	(6.3)%	70.2	40.3	74.0%
Margins (%)	4.4%	6.6%		5.4%		4.3%	3.2%	
EPS on reported PAT (in ₹)	4.40	5.08	(13.4)%	4.70	(6.4)%	10.84	7.78	39.3%

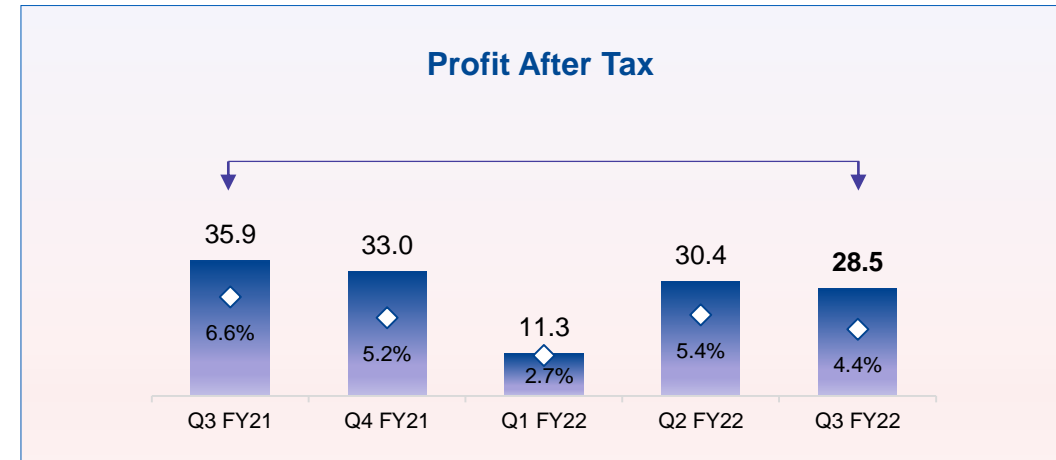
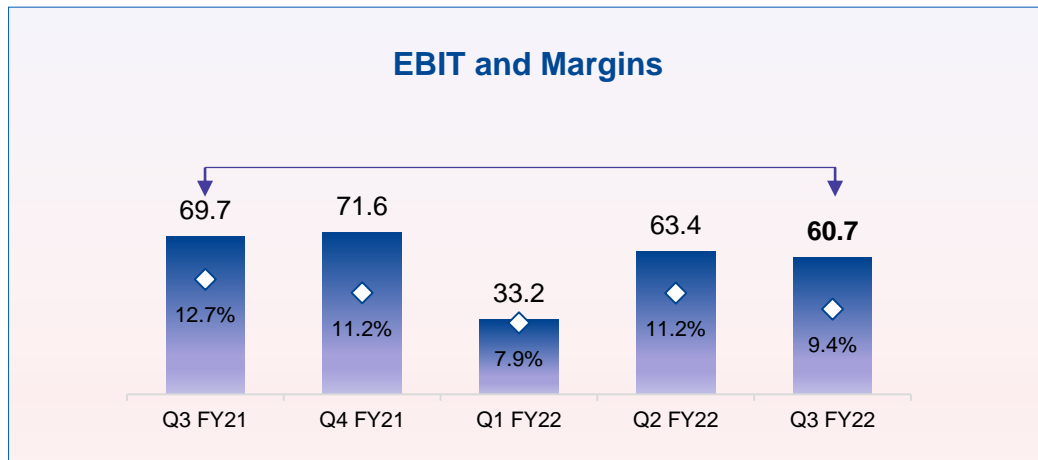
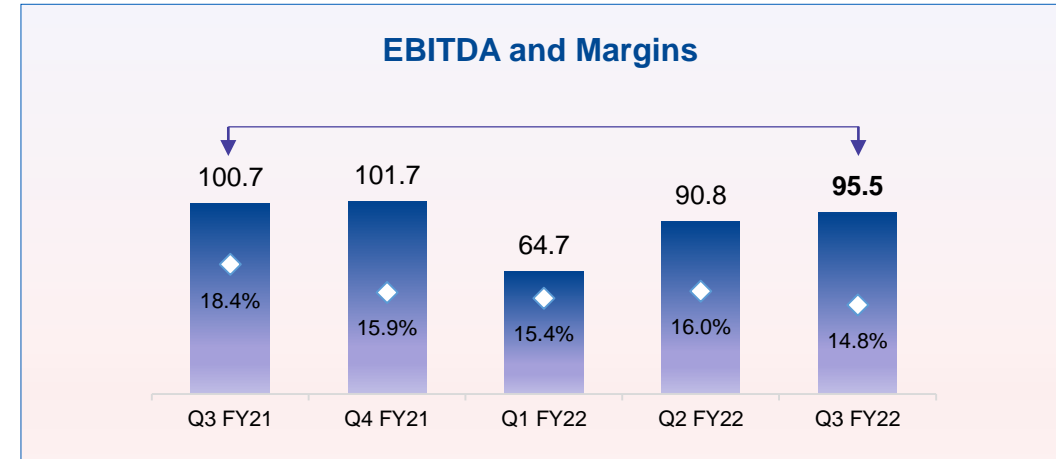
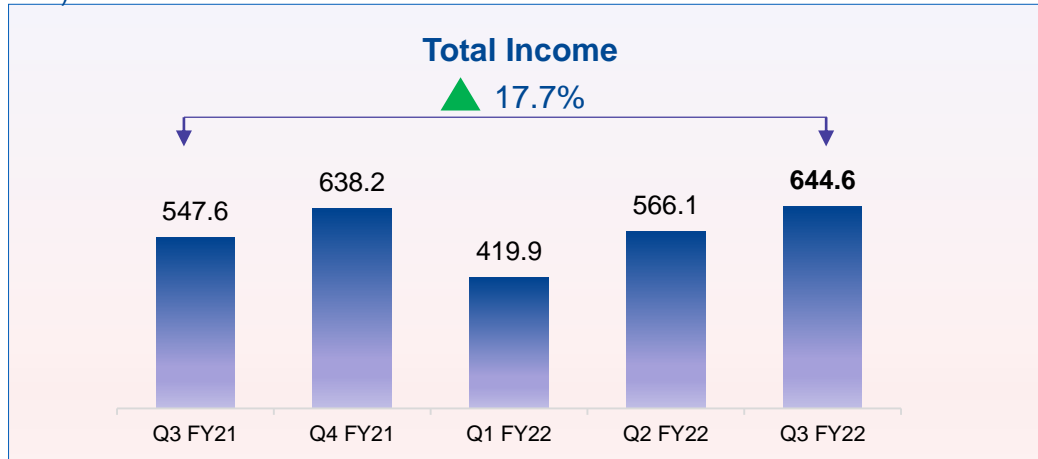
Notes:

1. All margins are calculated on Total Income
2. Adjusted PAT is calculated after adjusting income tax writebacks of ₹14.7 crore in Q2 FY2021



HSIL continues to deliver a resilient year on year topline growth

(₹ in crore)



Notes:

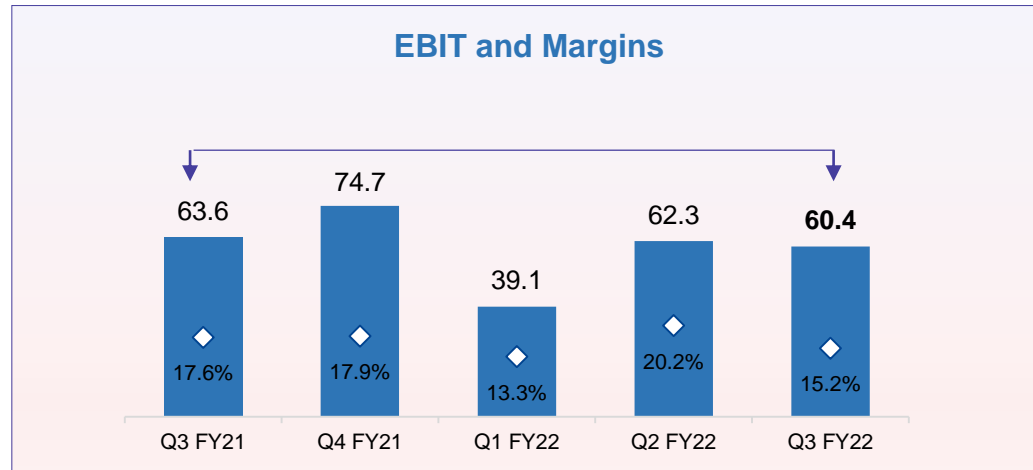
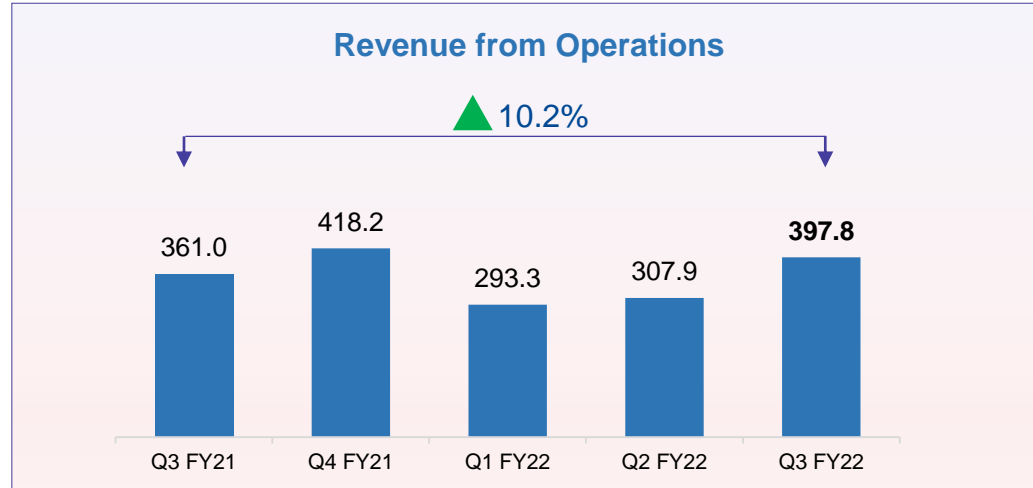
- All margins are calculated on Total Income



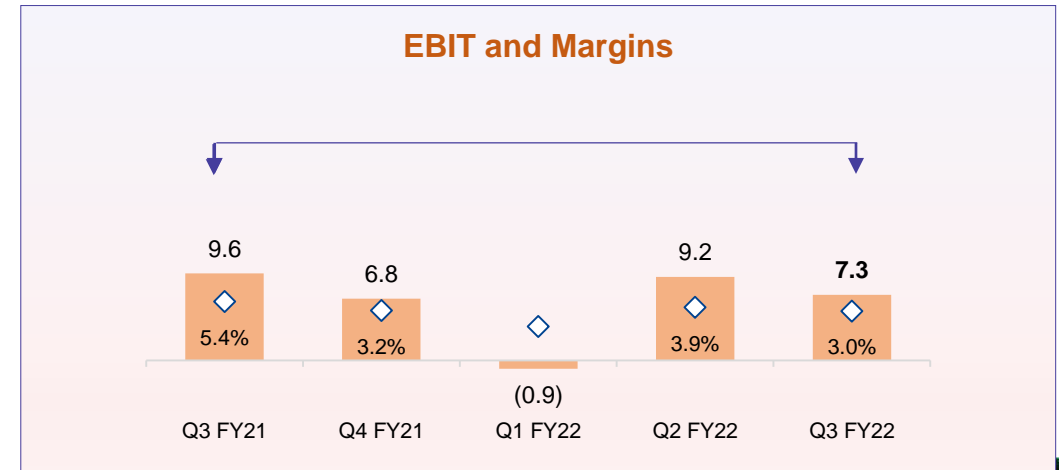
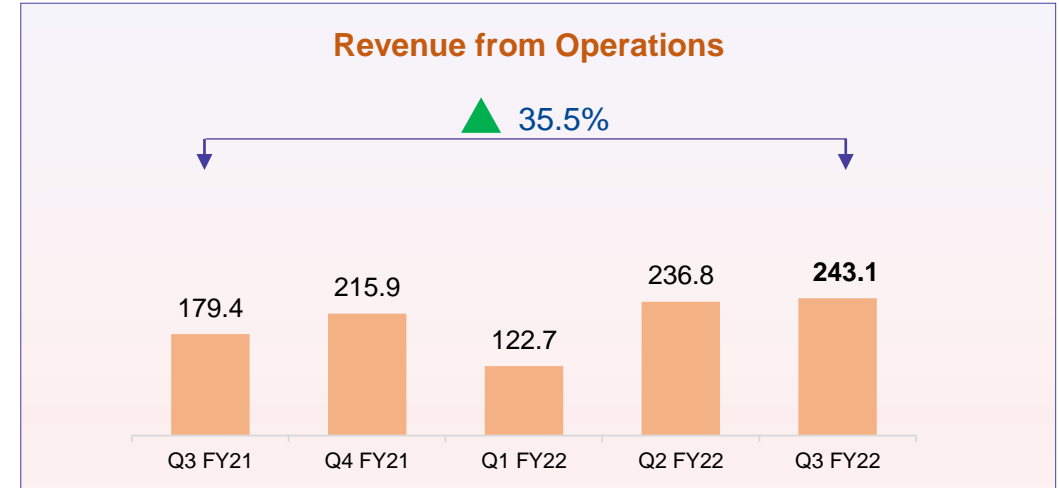
Financial Performance Trend – By Division

(₹ in crore)

Packaging Products



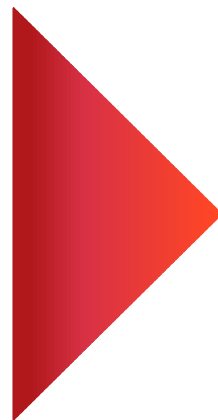
Building Products



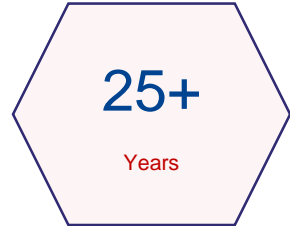
Note: Margins are calculated on Segment Income



Company Overview



Leader in Glass Packaging in India



Expanded capacity from **150 tonnes** to **1600 tonnes** per day over last twenty five years



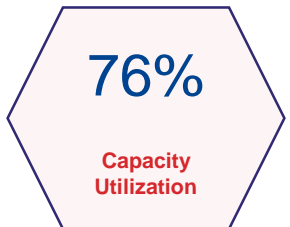
2nd largest glass container manufacturing capacity in India. Operates from 2 plants situated in Telangana



~20% market share in Indian organized glass packaging industry



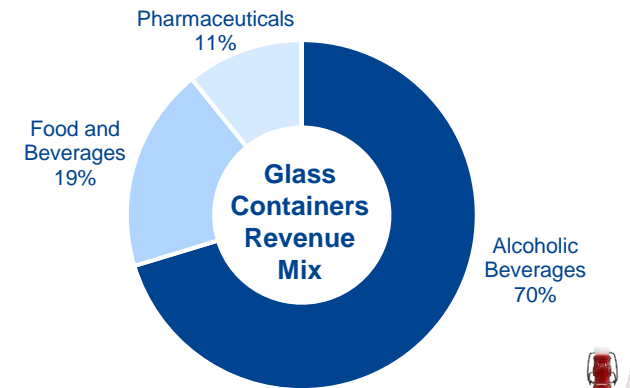
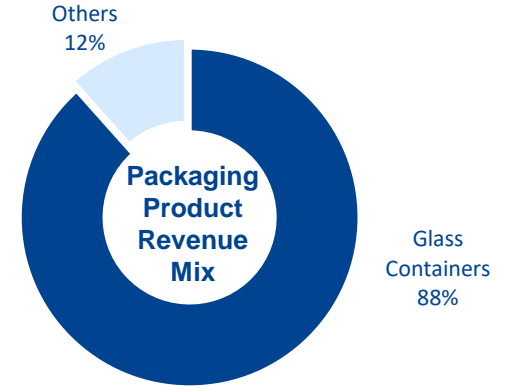
Strong relationship with end customers with selected pass through arrangements



Lower capacity utilization as compared to last year due to extended Covid-19 induced lockdowns



59% contribution to FY2021 total revenue



* All information as of FY2021

Packaging Products – Our Customers

Diversified institutional clients across industries



Packaging Products – Our Customers

Diversified institutional clients across industries



1 Economic Growth Recovery

- Major macro-economic indicators are on a fast recovery track driving demand for packaged food and beverage products
- Glass is one of the most preferred materials for the packaging of premium food, beverages, pharmaceuticals, and personal care products
- Shift towards sustainable packaging resulting in growing demand for glass packaging

2 Evolving Consumer Behavior due to Covid-19

- Glass Containers industry is poised to grow with accelerated adoption of e-commerce which is expected to fuel demand for industry
- Consumer preference shifting towards quality, safety and premiumization of products
- Benefits of glass packaging and recycling strongly resonates with new age consumers

3 Market Formalisation

- Movement from informal to formal sector driven by advances in glass technology to manufacture lightweight glass containers
- Consolidation in the Glass industry will lead to higher growth opportunities

4 Emerging Industry Leader

HSIL is the leader in Glass packaging in India:

- Customer Centric Products and Serviceability as core business principle
- Strong financial performance with high operating profit margins, backed by state of the art manufacturing capabilities



HSIL growth dynamics are fully aligned with the fundamental underlying growth profile of its customers

HSIL Growth Drivers

Total size of India container Glass market is ₹7,000 crore and same is expected to grow at a 7% CAGR to over next 5 years



Growing consumption of spirits and beer resulting in increased demand for glass bottles



Higher usage of glass packaging in Food & Beverage industry



Increased preference for Counterfeit-resistant products to ensure product security

Alcoholic Beverages



Market Size and Growth:

- Liquor segment has witnessed a growth of 3% in FY2020 and is expected to grow at a CAGR of 5-6% during next 5 years

Growth Drivers:

- Growing preference for spirits
- Increasing disposable income resulting in higher spending on alcoholic beverages
- Expanding beer market including craft beers

Pharmaceuticals



Market Size and Growth :

- India's pharmaceutical market was valued at US\$ 41 billion in 2020, and is projected to reach US\$ 65 billion by 2024.

Growth Drivers:

- Growing infrastructure and support from government to make India a global leader in drug manufacturing
- Increasing private investment in this sector
- Government initiatives for the sector

Food and Soft Drink



Market Size and Growth :

- Spending on food and nonalcoholic drink in India is expected to grow at 8% in 2021. Further expected annual CAGR growth is 6.8% (2021-2025)

Growth Drivers:

- Evolving consumer preferences, rising income & growing rural opportunity
- Rural slowdown has bottomed out, demand is expected to stabilize



**HSIL is committed in adopting and investing in environment friendly technology and initiatives
Aim to build a long-term sustainable business for all stakeholders**

Green Building Design

Plastic pipes and fittings plant is certified with the 'Green Company' IGBC platinum rating, and the manufacturing process is GreenCo platinum-certified, making HSIL one of the very few companies in India to accomplish this coveted feat. Our counterfeit-resistant security caps and closures manufacturing plant at Telangana is also a platinum rated by the Indian Green Building Council (IGBC).

Only container glass manufacturer in India to set up electrostatic precipitators for air pollution control

Kaharani (Bhiwadi) plant has been rated "GreenCo Gold" for being one of the nation's best in many GreenCo parameters

Light Saving Building Design

Designed all facilities, especially shop floors to ensure no artificial lighting is required during daytime & LED lighting is extensively used replacing conventional HPSV/ fluorescent lamps

Renewable Energy

Increasing share of renewable power in overall energy consumption, with the help of on-site rooftop solar power plants installations of 13.5 MW in Packaging Products Division

Environment Friendly Certified Manufacturing Process

DMF – Quality Assurance for supply to US pharmaceutical market. ISO 14001:2015 – Environment Management System. OHSAS 18001: 2007 Occupational Health and Safety Management System. FSSC 22000 – Food Safety System. ISO 9001:2008 and 2015 – Quality Management System. ISO 15378:2011 and 2017 – Quality Management System to provide primary packaging material for medicinal products.

Waste Treatment

Effluent and Sewage treatment plants installed, and waste generated while processing is almost 100% recycled by regrinding and reprocessing

Zero liquid discharge at all 10 plants and focus on substantial reduction in water usage through water treatment facilities, rainwater harvesting and RO systems

Environment-friendly Product

Large number of SKU's in sanitaryware and faucets certified as green products on account of lower water usage

Greendrop Glassware - Promoting 'glass packaging' which is environment-friendly product as an alternative to single-use plastic

Helps in attracting and engaging with ESG conscious institutional clients

Cost saving owing to usage of natural light and energy saving equipments

Increased efficiency and productivity

High morale among stakeholders – clients and employees

Sustainable businesses



56% of the Board is Independent

Experienced senior management team with dedicated executives to professionally manage business operations

Board of Directors

- **Mr. Nand Gopal Khaitan** (Independent Director)
Attorney-at-Law and a Notary Public appointed by the Government of India
- **Mr. Vijay Kumar Bhandari** (Independent Director)
Fellow Chartered Accountant with over 38 years of experience in the Banking Industry
- **Mr. Anil Wadhwa** (Independent Director)
Ex-Member of the Indian Foreign Services. Served as Indian Ambassador to Poland, Lithuania, Sultanate of Oman, Thailand, Italy and San Marino over the course of 38 years
- **Ms Himalyani Gupta** (Independent Director)
Advocate with over 30 years of experience Standing Counsel for the Union of India in the Hon'ble Supreme Court of India
- **Mr. Rakesh Sarin** (Independent Director)
43 years of experience in the field of distributed energy, policy advocacy and development of large renewable energy platform
- **Ms. Sumita Somany** (Non-Executive Non-Independent Director)
Over a decade of experience in the retail industry
- **Mr. Girdhari Lal Sultania** (Non-Executive Non-Independent Director)
Fellow Chartered Accountant, Fellow Company Secretary and consultant by profession



Dr. Rajendra Kumar Somany
Chairman And Managing Director



Mr. Sandip Somany
Vice-Chairman And Managing Director



Mr. Sandeep Sikka
Group CFO



Mr. RB Kabra
President and CEO,
Building Products



Mr. Rajesh Khosla
President and CEO,
AGI Glaspac and Garden Polymers



Mr. Om Prakash Pandey
Chief Financial Officer



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