

Q3 FY2021 Highlights – Year on Year



HSIL continues to deliver strong y-o-y performance driven by both improved volumes and realizations

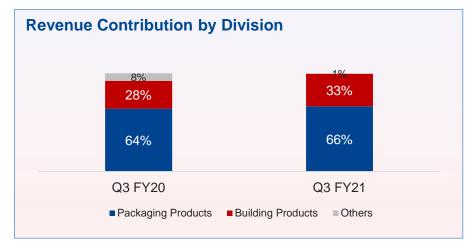


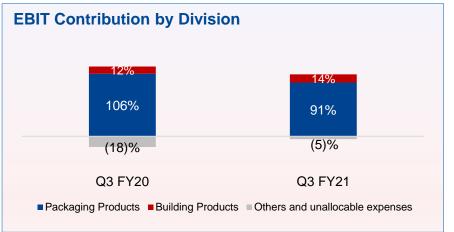














Q3 FY2021 Highlights – Quarter on Quarter



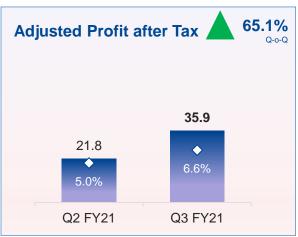
EBITDA and PAT margins further improved to 18.4% and 6.6% respectively

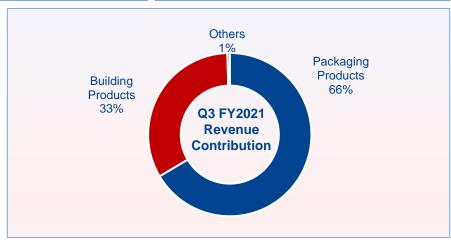
(₹ in crore)

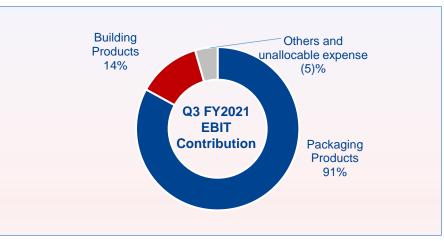












- 1. All margins are calculated on Total Income
- Adjusted PAT is calculated after adjusting income tax writebacks of ₹ 14.7 crore in Q2 FY2021



Q3 FY2021 Performance Discussion



HSIL strategically well positioned to drive revenue growth and cash flows led by packaging division

- Total income growth of 24.7% on Q-o-Q and 10.8% on Y-o-Y basis was driven by improved average realizations and strong recovery in volumes underpinned by robust demand from alcoholic beverage industry
- EBITDA margins improved to 18.4% as compared to 15.0% in Q3 FY2020. The margin improvement was driven by improved capacity utilization levels coupled with optimized sourcing of key raw materials
- Adjusted PAT margins were 6.6% in Q3 FY2021 as compared to 3.2% in Q3 FY2020 and 5.0% in Q2 FY2021. The income tax writebacks of ₹
 14.7 crore in Q2 FY2021 resulted in higher profit after tax during that period
- Packaging division volume growth was primarily driven by strong demand from beer, food and beverage industry
- Net Debt position at the end of the quarter was ~ ₹ 970 crore
- During the quarter, HSIL completed the Buy Back of 7.59 million shares for an amount aggregating to ₹ 63.93 crore. The Company has utilized
 91.32% of the Maximum Buy Back Size excluding the transaction costs

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Q3 FY2021 Highlights – By Division



Packaging Products

66% Revenue 87% EBIT
Contribution

87% EBIT
Contribution

Building Products

33% Revenue 13% EBIT
Contribution

Contribution

Revenue from Operations

₹ 361.0 Cr

▲ 15.2% Y-o-Y

EBIT

₹ 63.6 Cr

17.6% Margins

1argins 29.8% Y-o-Y

EBIT

₹ 9.6 Cr

5.4% Margins

Key Highlights:

- Revenue growth was driven by improvement on account of improved realizations, better product mix and higher sales volumes
- Volumes largely driven by beer and food & beverage industry
- EBIT margins improved from 14.2% in Q3 FY2020 to 17.6% in Q3 FY2021 as a result of optimized sourcing of key raw materials and higher capacity utilization
- Glass container capacity utilization during the quarter was 83% as compared to 72% in the previous quarter
- During the quarter, AGI glaspac purchased 3 high technology narrow neck press and blow (NNPB) machines having advanced controls. Customers prefer NNPB bottles which are lighter and particularly specified by beer industry clients
- New Product Launches: 46 new products developed, and 13 new products commercialized

Key Highlights:

Revenue from Operations

₹ 179.4 Cr

 Post Covid-19 lockdowns, all our plants are now operational and the capacity utilization levels also improved



Business Overview



HSIL is a leading packaging and building products manufacturing company



Excellence is Our Value Proposition

Dynamic Management

Qualified and experienced management

Robust Governance Framework

Transparency and strong internal controls

Purpose-Driven People

Exceptional commitment to Company's values



Operating Platform



11
State of the Art
Manufacturing Facilities



500+
Institutional Clients



FY2020 Key Financials

₹ 1,879 Cr

₹ 291 Cr | 15.5%

Total Income

EBITDA and Margin

₹ 48 Cr | 2.6%

₹ 890 Cr | 1.03x

PAT and Margin

Net Debt and Net Debt to Equity Ratio

CARE A+; Stable Outlook
Long Term Debt

CARE A1+
Short Term Debt

Packaging Products

67% Revenue Contribution

Building Products

33% Revenue Contribution

Packaging Products

88% EBIT Contribution Building Products

11% EBIT Contribution

* All information as of FY2020

Packaging Products – Glass Containers



Glass Container Packaging - 2nd largest manufacturer of glass containers in India



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

1,600

Tonnes per day

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



~19% market share in Indian organized glass packaging industry

450+

Institutional Clients

Strong relationship with end customers with selected pass through arrangements

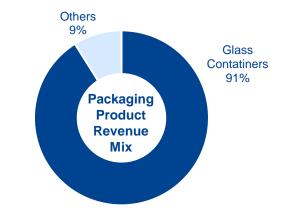


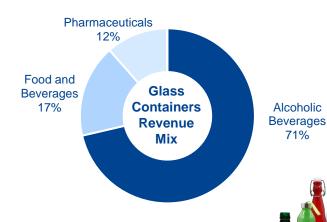
Capacity Utilization

Consistently increasing capacity utilization over the last three years



FY2020 Revenue ₹ crore **60%** contribution to FY2020 total revenue





* All information as of FY2020

Packaging Products – Our Customers



Diversified institutional clients across industries













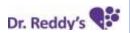






































































Packaging Products – Our Customers



Diversified institutional clients across industries















































































HSIL Growth Drivers



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 product security with Counterfeit-resistant products

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 domestic pharmaceutical market turnover reached ₹ 1.4 lakh crore in 2019, growing 9.8% year-onyear

Growth Drivers:

- Growing infrastructure and support from government to make India 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 in India is expected to grow at 9-10% CAGR matching the expansion rate in 2019
- Indian organic food market to grow at a CAGR of 20% reaching a value of ₹ ~15,276 crore

Growth Drivers:

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

Sustainability a Core Pillar of HSIL Strategy



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).

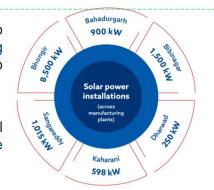
Only container glass manufacturer in India to set up electrostatic precipitators for air pollution control

Light Saving Building Design

Designed all facilities, especially shop floors to ensure no artificial lighting is required during daytime & LED lighting is extensively used to reduce energy usage

Renewable Energy

Increasing share of renewable power in overall energy consumption, with the help of on-site rooftop solar power plants installations of 12.7 MW



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. 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 11 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 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 due to usage of natural light and energy saving equipments

Increased efficiency and productivity

High morale among stakeholders – clients and employees

Sustainable business

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Board of Directors and Leadership Team



56% of the Board is Independent

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

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



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



Financial and Operational Performance



	Q3		Y-o-Y	Q2	Q-o-Q	Nine Months		Y-o-Y
(₹ in crore)	FY2021	FY2020	Growth (%)	FY2021	Growth (%)	FY2021	FY2020	Growth (%)
Income from Operations	541.5	489.1	10.7%	426.4	27.0%	1,219.4	1,398.0	(12.8)%
Other Income	6.1	5.1	20.3%	12.9	(52.7)%	22.9	13.2	
Total Income	547.6	494.2	10.8%	439.3	24.7%	1,242.3	1,411.2	(12.0)%
EBITDA	100.7	74.3	35.5%	77.3	30.3%	206.4	229.9	(10.2)%
Margins (%)	18.4%	15.0%		17.6%		16.6%	16.3%	
EBIT	69.7	42.0	65.9%	52.5	32.9%	115.1	122.5	(6.0)%
Margins (%)	12.7%	8.5%		11.9%		9.3%	8.7%	
PAT	35.9	15.7	128.8%	36.5	(1.5)%	55.0	45.0	22.3%
Margins (%)	6.6%	3.2%		8.3%		4.4%	3.2%	
Adjusted PAT*	35.9	15.7	128.8%	21.8	65.1%	40.3	45.0	(10.4)%
Margins (%)	6.6%	3.2%		5.0%		3.2%	3.2%	
EPS on reported PAT (in ₹)	5.08	2.17	134.1%	5.05	0.6%	7.78	6.23	24.9%

Notes:

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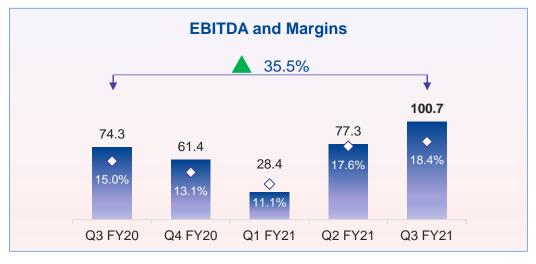
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Financial Performance Trend

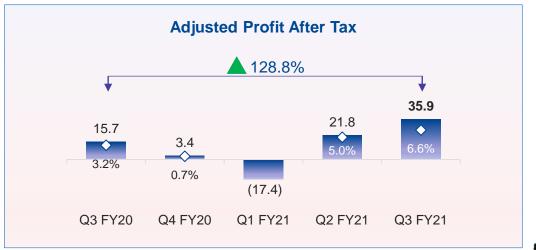


(₹ in crore)









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Financial Performance Trend – By Division







Building Products





Note: All margins are calculated on Total Income

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