



# HSIL



## Earnings Presentation Q1 FY2022

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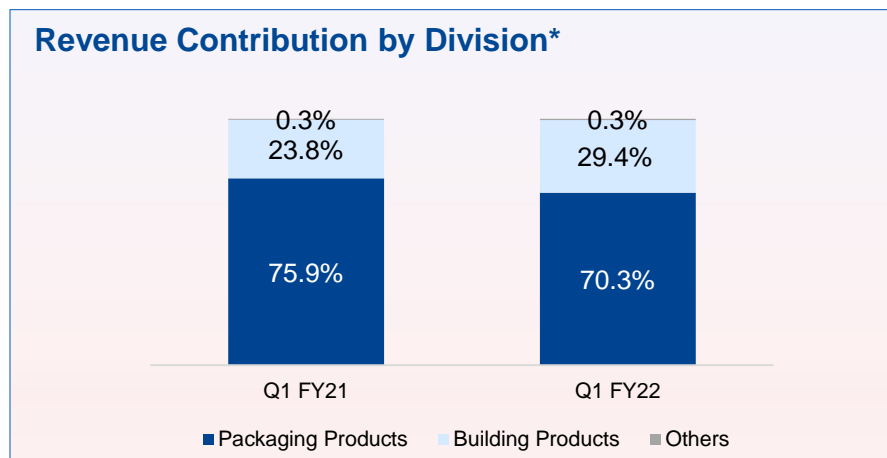
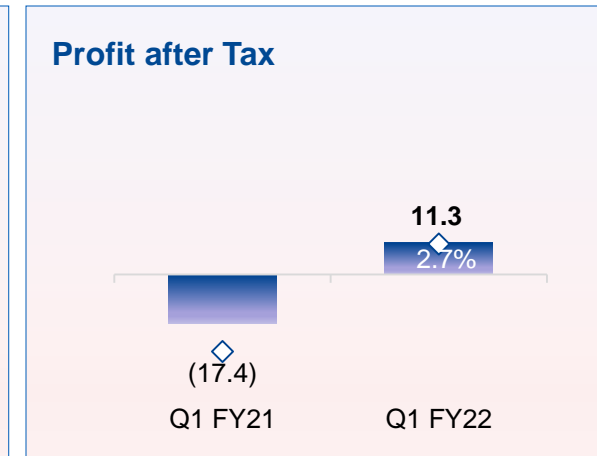
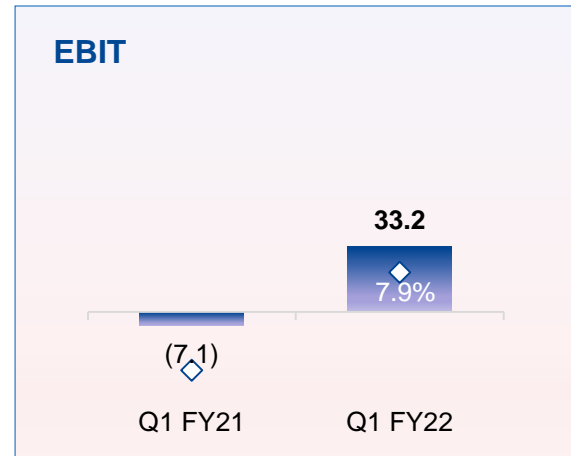
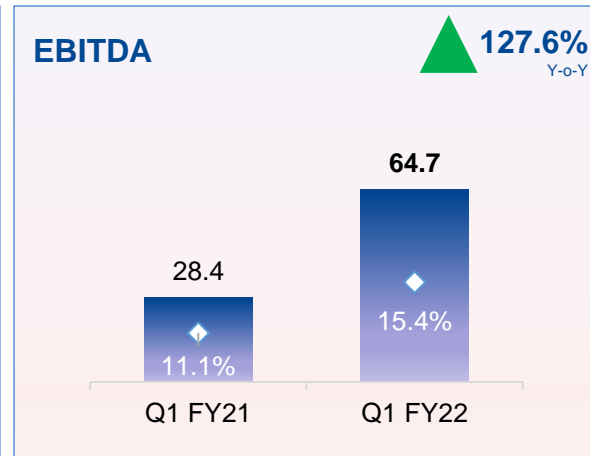
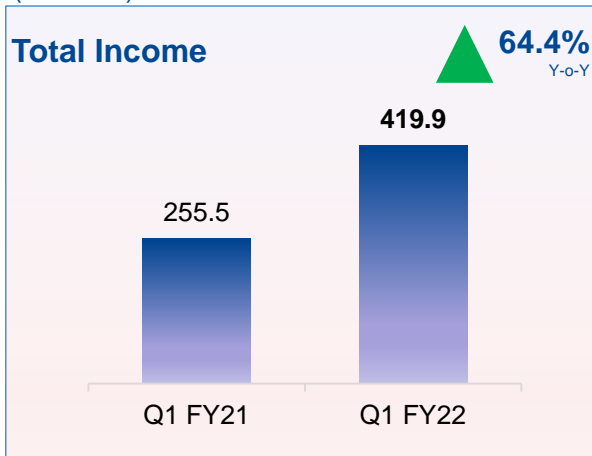
### PACKAGING EXCELLENCE GEARED FOR GROWTH

# Q1 FY2022 Highlights - Year on Year



Improved Revenue on Y-o-Y basis; EBITDA of ₹65 Crore, registering growth of 128% and delivering strong margins of 15.4%

(₹in crore)



\* Inter segment revenue has not been eliminated

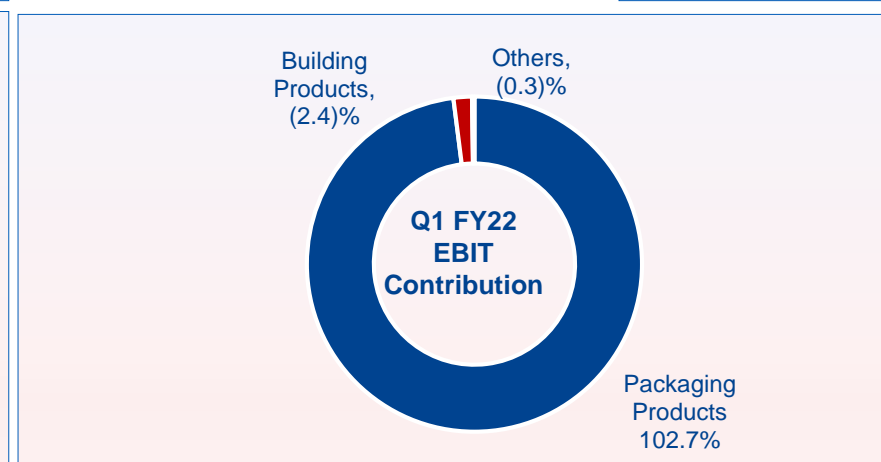
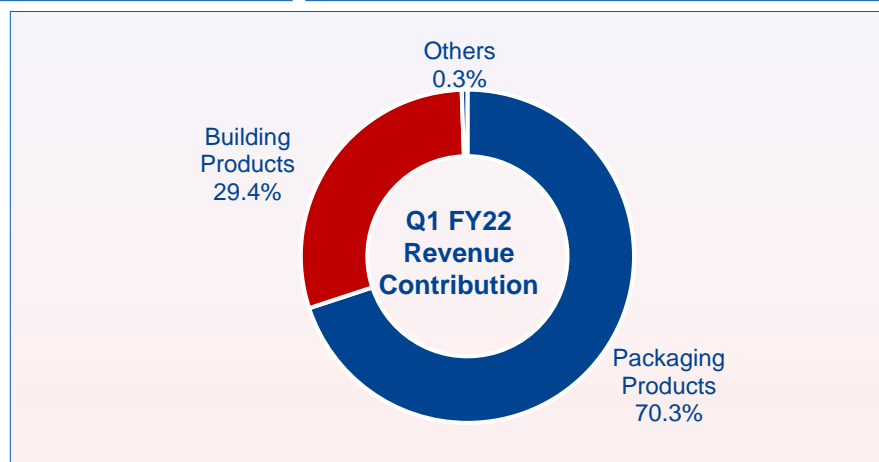
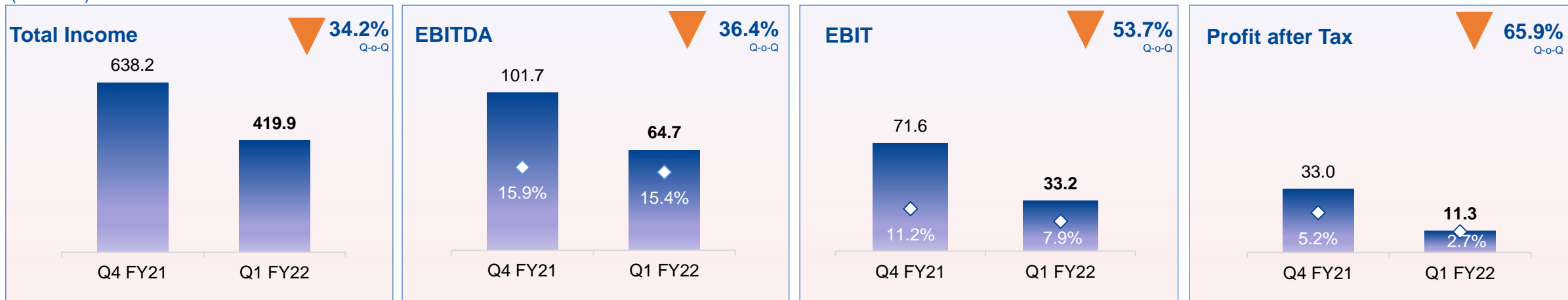


# Q1 FY2022 Highlights - Quarter on Quarter



Despite the second wave of Covid-19 challenges, HSIL continues to deliver EBITDA margins of 15.4% driven by strong operational efficiency

(₹in crore)





**HSIL is strategically well positioned to drive revenue growth and cash flows led by the packaging products division**



**Commenting on performance, Mr. Sandip Somany, Vice Chairman and Managing Director Said:**

*“The first quarter of the fiscal year started on a subdued note due to the second wave of Covid-19. The top line was clearly impacted as state-wise lockdowns resulted in muted demand from key end-user industries such as alcohol, food, and beverages in the packaging segment and lower demand from the construction & infrastructure sector impacting building products segment. During the quarter, we continued to focus on maintaining higher operational efficiencies and our cost control measures.”*

*He further added, “We bounced back quickly from lockdown 1.0 and delivered strong growth in FY 2021. In near term, we are optimistic that economic recovery is expected to normalize the demand and going ahead, we will deliver profitable and sustainable growth”*

## Q1 FY22 Key Highlights

- Year-on-Year Sales growth was driven by higher volumes, improved realizations, and a better product mix. Volume was driven by recovery in demand of glass containers from pharmaceuticals, wine, and beer sector
  - Sequential growth was adversely impacted due to the second wave of Covid-19 and consequent restrictions on trade and movement
- Delivered EBITDA of ₹65 crore, registering a growth of 128% on y-o-y basis and a decline of 36% q-o-q
  - EBITDA margins were 15.4% in Q1 FY22 compared to 11.1% in Q1 FY21 and 15.9% in Q4 FY21
  - Stable margins on sequential basis owing to optimised product mix and cost control measures
- PAT of ₹11 crore, with margins of 2.7%



# Q1 FY22 Performance Highlights - By Division



## Packaging Products

70% Revenue  
Contribution

## Building Products

29% Revenue  
Contribution

### Revenue from Operations

**₹293.3 Cr**

▲ 53.7% Y-o-Y

### EBIT

**₹39.1 Cr**

13.3% Margins

### Revenue from Operations

**₹122.7 Cr**

▲ 104.8% Y-o-Y

### EBIT

**₹(0.9) Cr**

(0.7)% Margins

#### Key Highlights (Y-o-Y):

- Revenue growth was driven by improved realizations, better product mix, and higher sales volume
- Volumes were driven by increased demand from Pharma, Wine and Beer industries which were adversely impacted in same quarter of last year due to lockdowns
- EBIT margins improved to 13.3% in Q1 FY2022 from 8.9% in Q1 FY2021 as a result of increased volume, optimised product mix, and higher operational efficiencies
- Glass container capacity utilization during the quarter was 89% as compared to 63% in the same quarter last year
- Topline and Profitability were impacted on a sequential basis due to lockdown restriction and lower demand from key end-user industries such as the alcohol, food, and beverages

#### Key Highlights:

- All our plants were operational even during the second wave of Covid-19 and the capacity utilization levels have increased year on year
- Topline and Profitability were impacted on a sequential basis due to lockdown restriction and lower demand from construction and infrastructure sector amidst the second wave of the pandemic



HSIL Glass Business was awarded “**Best in Class Manufacturing Award**” from The National Feathers Touch



ISO 50001 2018  
Energy Management System Certificate



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

25+

Years

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

1,600

Tonnes per day

2<sup>nd</sup> largest glass container manufacturing capacity in India. Operates from 2 plants situated in Telangana

~20%

Market Share

~20% market share in Indian organized glass packaging industry

500+

Institutional Clients

Strong relationship with end customers with selected pass through arrangements

76%

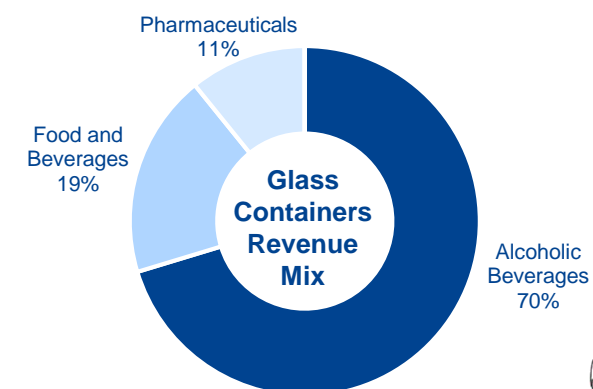
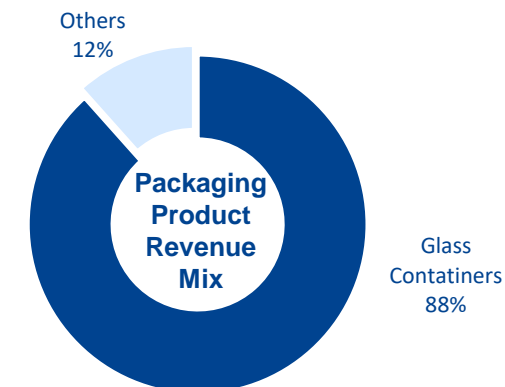
Capacity Utilization

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

1,113

FY2021 Revenue ₹crore

59% contribution to FY2021 total revenue



\* All information as of FY2021



# Packaging Products – Our Customers

HSIL

## Diversified institutional clients across industries





# Packaging Products – Our Customers



Diversified institutional clients across industries



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 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 regrounding 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 owing to usage of natural light and energy saving equipments

Increased efficiency and productivity

High morale among stakeholders – clients and employees

Sustainable businesses



# 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





	Q1		Y-o-Y	Q4	Q-o-Q	Full Year		Y-o-Y
(₹ in crore)	FY2022	FY2021	Growth (%)	FY2021	Growth (%)	FY2021	FY2020	Growth (%)
Income from Operations	416.2	251.6	65.4%	633.2	(34.3)%	1,852.6	1,859.1	(0.3)%
Other Income	3.8	3.9	(4.5)%	5.0	(25.0)%	28.0	20.3	
Total Income	419.9	255.5	64.4%	638.2	(34.2)%	1,880.6	1,879.4	0.1%
EBITDA	64.7	28.4	127.6%	101.7	(36.4)%	308.1	291.4	5.7%
Margins (%)	15.4%	11.1%		15.9%		16.4%	15.5%	
EBIT	33.2	(7.1)	-	71.6	(53.7)%	186.7	148.5	25.7%
Margins (%)	7.9%	(2.8)%		11.2%		9.9%	7.9%	
PAT	11.3	(17.4)	-	33.0	(65.9)%	88.1	48.4	81.8%
Margins (%)	2.7%	(6.8)%		5.2%		4.7%	2.6%	
Adjusted PAT*	11.3	(17.4)	-	33.0	(65.9)%	73.3	48.4	51.5%
Margins (%)	2.7%	(6.8)%		5.2%		3.9%	2.6%	
EPS on reported PAT (in ₹)	1.74	(2.40)	-	4.77	(63.5)%	12.71	6.69	90.0%

**Notes:**

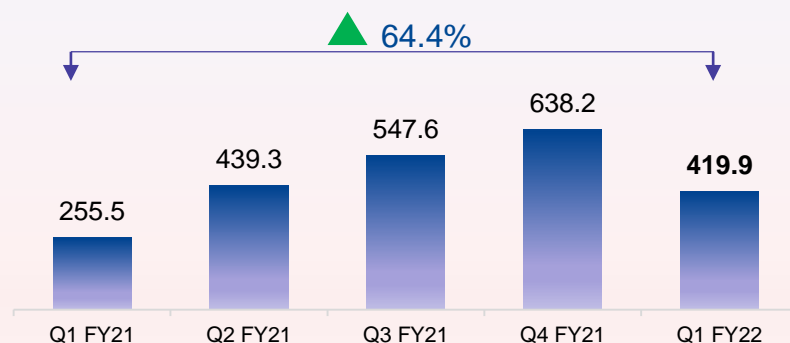
1. All margins are calculated on Total Income
2. Adjusted PAT is calculated after adjusting income tax writebacks of ₹14.7 crore in FY2021



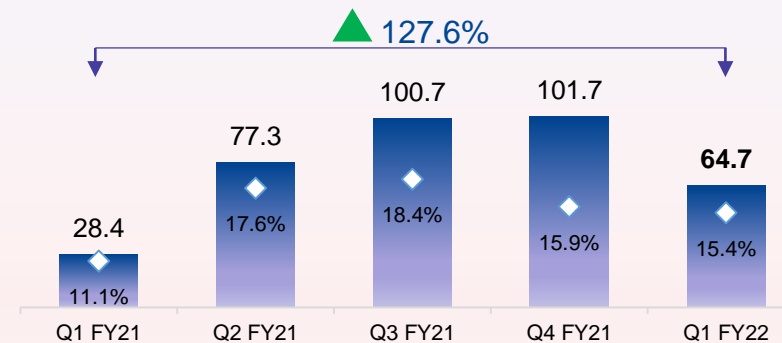
HSIL continues to deliver a resilient year on year growth with improvement in EBITDA margins

(₹ in crore)

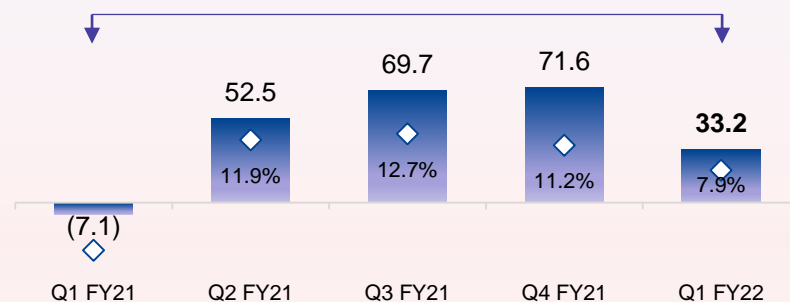
Total Income



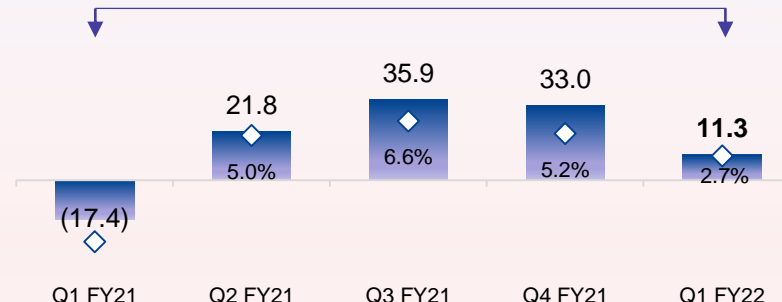
EBITDA and Margins



EBIT and Margins



Adjusted Profit After Tax



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

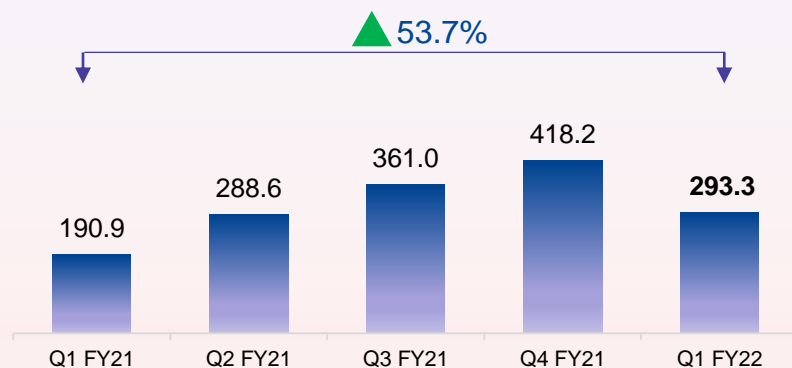


# Financial Performance Trend – By Division

(₹in crore)

## Packaging Products

### Revenue from Operations

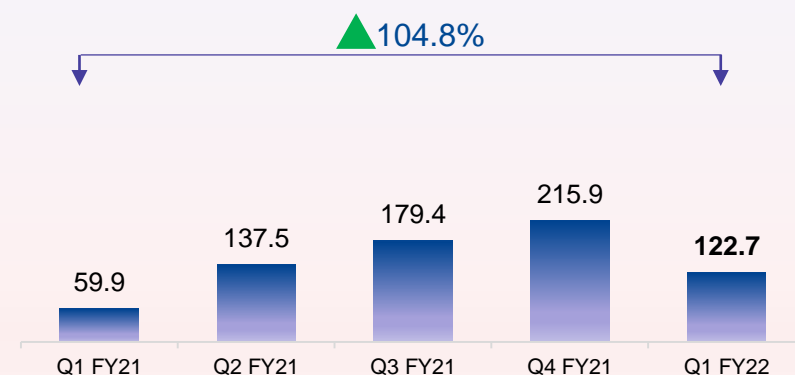


### EBIT and Margins

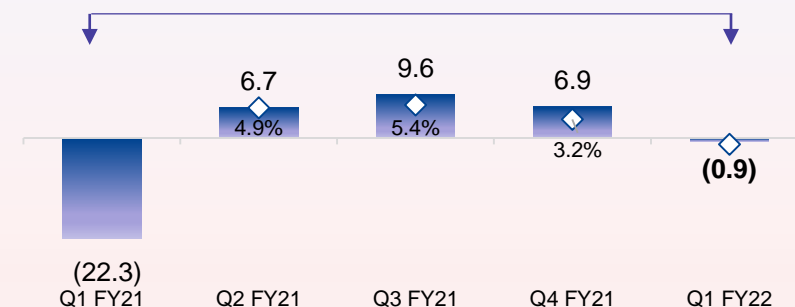


## Building Products

### Revenue from Operations



### EBIT and Margins

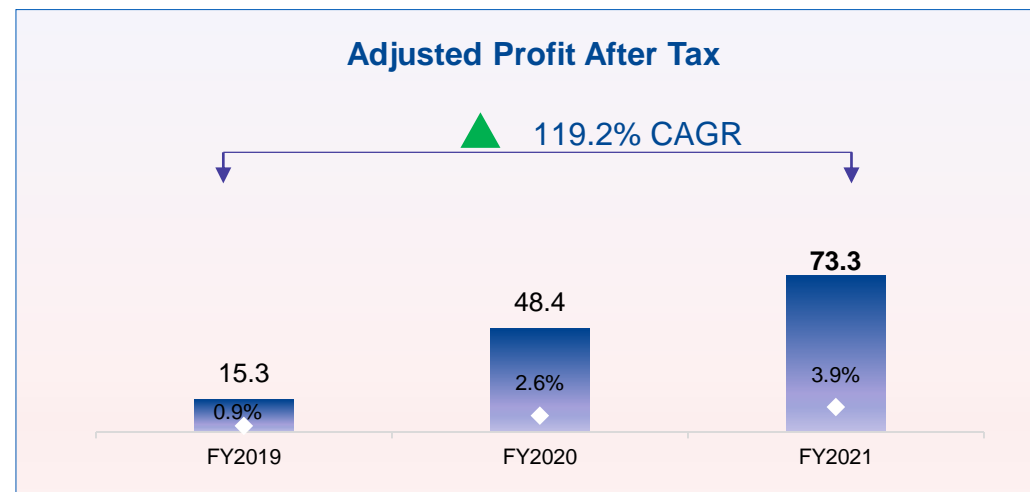
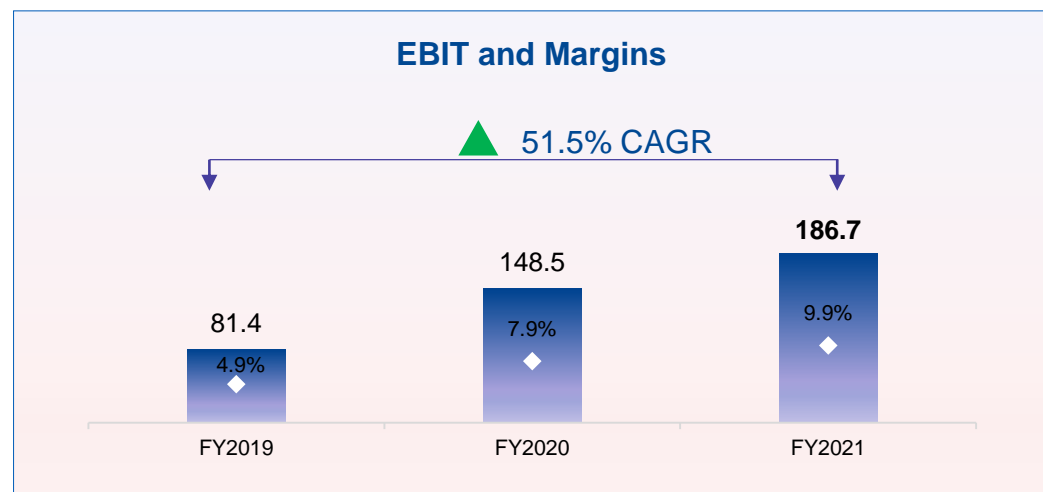
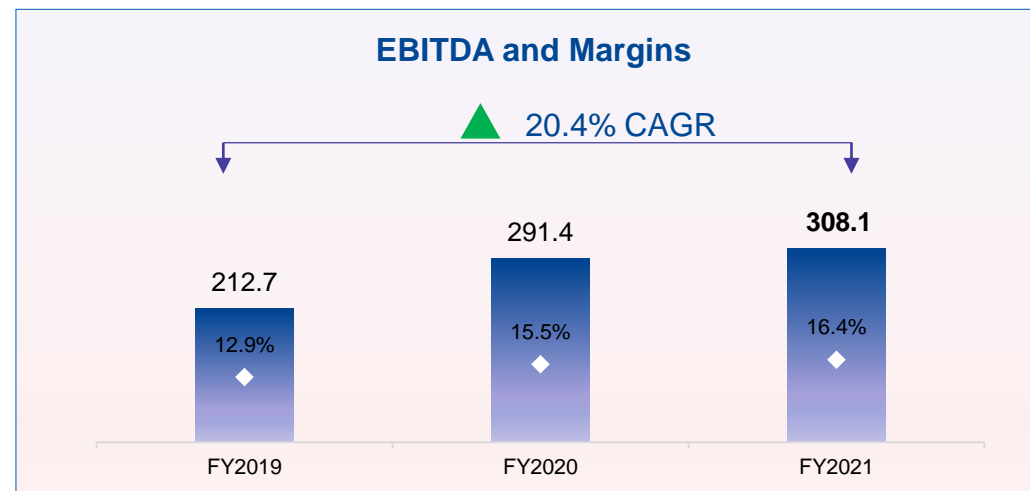
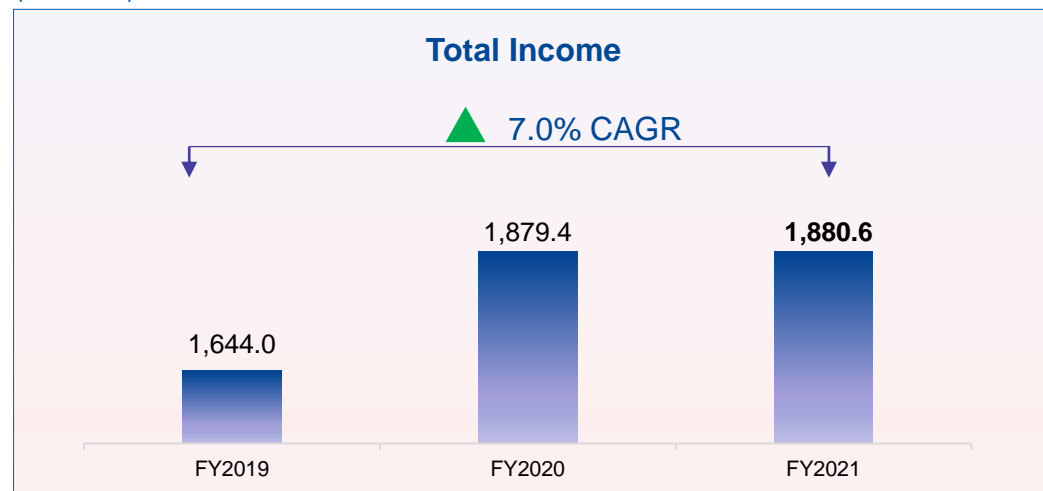


Note: Margins are calculated on Segment Income



# Financial Performance Trend - Annual

(₹in crore)



#### Notes:

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



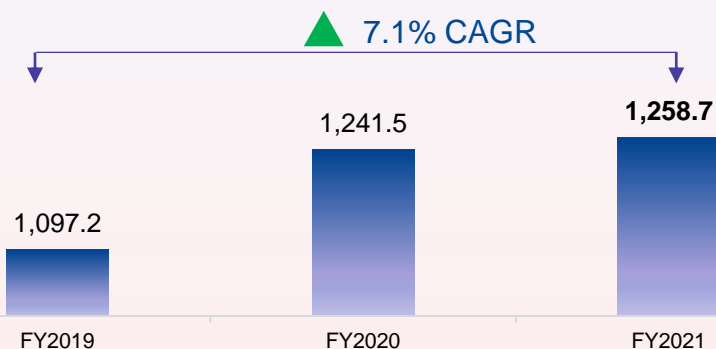


# Financial Performance Trend (Annual) – By Division

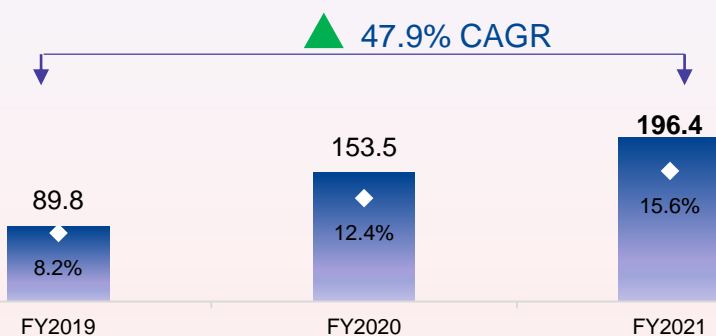
(₹in crore)

## Packaging Products

### Revenue from Operations

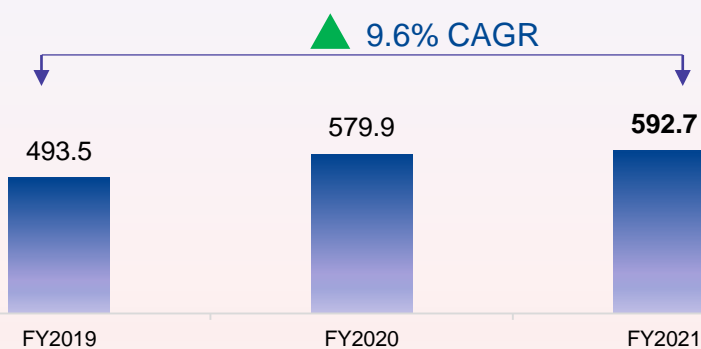


### EBIT and Margins

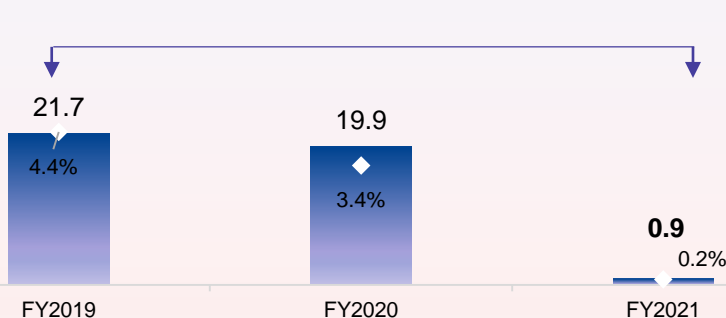


## Building Products

### Revenue from Operations



### EBIT and Margins



Note: All margins are calculated on Total Income



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**Corporate Office**  
301-302, III Floor, Park Centra,  
Sector 30, N.H-8, Gurgaon,  
Haryana – 122001

**Phone**  
+91 124 4779200

**Website**  
<https://www.hsilgroup.com>

**Investor Relations Advisor**

Ravi Gothwal / Vikas Luhach  
**Churchgate Partners**

**Phone**  
+91 22 6169 5988

**Website**  
<https://www.churchgatepartners.com/>