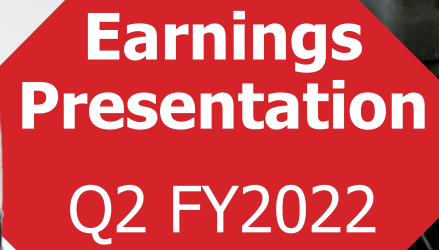


The HSIL logo is positioned in the top right corner of the image. It features the letters 'HSIL' in a bold, white, sans-serif font. A red horizontal line is positioned above the letter 'S', extending from the left edge of the 'H' to the right edge of the 'S'.A red diamond-shaped graphic is centered in the upper left portion of the image. Inside this diamond, the text 'Earnings Presentation' is written in a white, bold, sans-serif font, with 'Q2 FY2022' written below it in a smaller white, sans-serif font.The text 'PACKAGING EXCELLENCE' and 'GEARED FOR GROWTH' is written in a bold, white, sans-serif font. It is positioned in the bottom right corner of the image, overlaid on a background of a glass bottle production line. The bottles are glowing orange from heat and are arranged in a row on a conveyor belt.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, overlaid on a blue diamond-shaped graphic.

## 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



## Total Income

**₹986 crore**

H1 FY21 : ₹695 crore



**41.9%** Y-o-Y

## EBITDA

**₹155 crore**

H1 FY21 : ₹106 crore



**47.1%** Y-o-Y

Margins : **15.8%**

## EBIT

**₹97 crore**

H1 FY21 : ₹45 crore



**112.7%** Y-o-Y

Margins : **9.8%**

## Packaging Products Division

### Revenue

**₹601 crore**

Revenue Share : **62%**  
H1 FY21 : ₹479 crore



**25.4%**  
Y-o-Y

### EBIT

**₹101 crore**

Margins : **16.9%**  
H1 FY21 : ₹58 crore



**74.3%**  
Y-o-Y

## Building Products Division

### Revenue

**₹359 crore**

Revenue Share : **37%**  
H1 FY21 : ₹197 crore



**82.1%**  
Y-o-Y

### EBIT

**₹8 crore**

Margins : **2.3%**  
H1 FY21 : ₹(16) crore



#### Note:

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



## Total Income

**₹566 crore**

Q2 FY21 : ₹439 crore



**28.9%** Y-o-Y

## EBITDA

**₹91 crore**

Q2 FY21 : ₹77 crore



**17.5%** Y-o-Y

Margins : **16.0%**

## EBIT

**₹63 crore**

Q2 FY21 : ₹52 crore



**20.8%** Y-o-Y

Margins : **11.2%**

## Packaging Products Division

### Revenue

**₹308 crore**

Revenue Share : **56%**  
Q2 FY21 : ₹289 crore

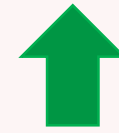


**6.7%**  
Y-o-Y

### EBIT

**₹62 crore**

Margins : **20.2%**  
Q2 FY21 : ₹41 crore



**51.4%**  
Y-o-Y

## Building Products Division

### Revenue

**₹237 crore**

Revenue Share : **43%**  
Q2 FY21 : ₹137 crore



**72.2%**  
Y-o-Y

### EBIT

**₹9 crore**

Margins : **3.9%**  
Q2 FY21 : ₹7 crore



**37.2%**  
Y-o-Y

#### Note:

1. All margins are calculated on Total Income
2. Difference in Entity and Segment EBIT due to un-allocable expenses



## Packaging Products

56% Revenue  
Contribution

## Building Products

43% Revenue  
Contribution

### Key Highlights :

- Revenue growth was driven by improved realizations and better product mix, and sales volume with visible demand revival as markets saw broad based recovery post the second wave of pandemic
- Glass container business continues to see strong traction with higher demand for packaged products in the market. Revenue growth was driven by the Beer, Liquor and Wine industries
- EBIT margins improved to 20.2% in Q2 FY2022 from 14.2% in Q2 FY2021 as a result of higher revenue, optimized product mix, and higher operational efficiencies
- The Company delivered strong performance despite one of the furnaces being for maintenance during the quarter
- In light of relining of the furnace, Glass container capacity utilization during the quarter was 66% as compared to 72% in the same quarter last year and 89% in the previous quarter

### Key Highlights:

- All our plants are operational, and the capacity utilization levels have increased on both sequential and year on year basis
- Topline and Profitability saw improvement on sequential basis driven by sharp recovery in real estate sector with favorable support from macro drivers



(₹ in crore)	Q2		Y-o-Y	Q1	Q-o-Q	Six Months		Y-o-Y
	FY2022	FY2021	Growth (%)	FY2022	Growth (%)	FY2022	FY2021	Growth (%)
Income from Operations	546.2	426.4	28.1%	416.2	31.2%	962.4	677.9	42.0%
Other Income	19.9	12.9	54.2%	3.8	428.8%	23.7	16.8	40.4%
Total Income	566.1	439.3	28.9%	419.9	34.8%	986.0	694.7	41.9%
EBITDA	90.8	77.3	17.5%	64.7	40.3%	155.4	105.7	47.1%
Margins (%)	16.0%	17.6%		15.4%		15.8%	15.2%	
EBIT	63.4	52.5	20.8%	33.2	91.0%	96.5	45.4	112.7%
Margins (%)	11.2%	11.9%		7.9%		9.8%	6.5%	
PAT	30.4	36.5	(16.6)%	11.3	170.1%	41.7	19.1	117.9%
Margins (%)	5.4%	8.3%		2.7%		4.2%	2.8%	
Adjusted PAT*	30.4	21.8	39.7%	11.3	170.1%	41.7	4.4	844.8%
Margins (%)	5.4%	5.0%		2.7%		4.2%	0.6%	
EPS on reported PAT (in ₹)	4.70	5.04	(6.7)%	1.74	170.0%	6.44	2.64	143.9%

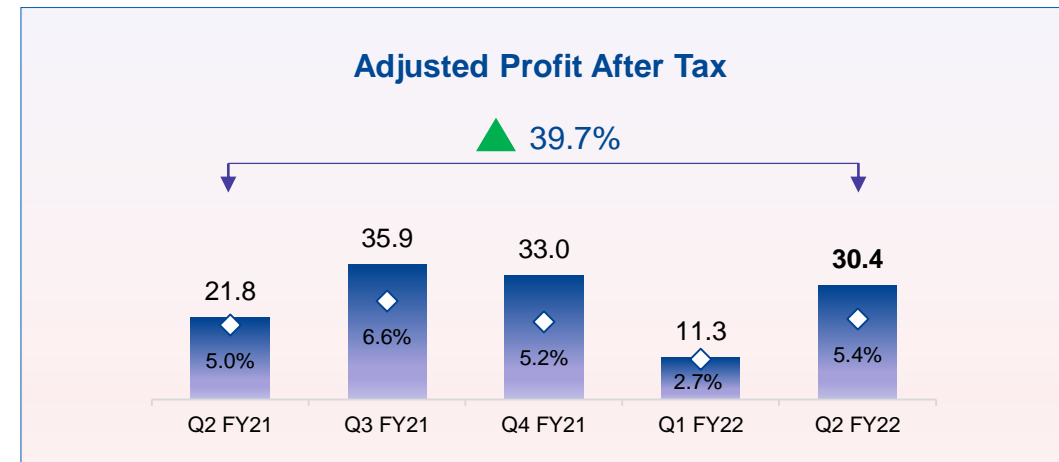
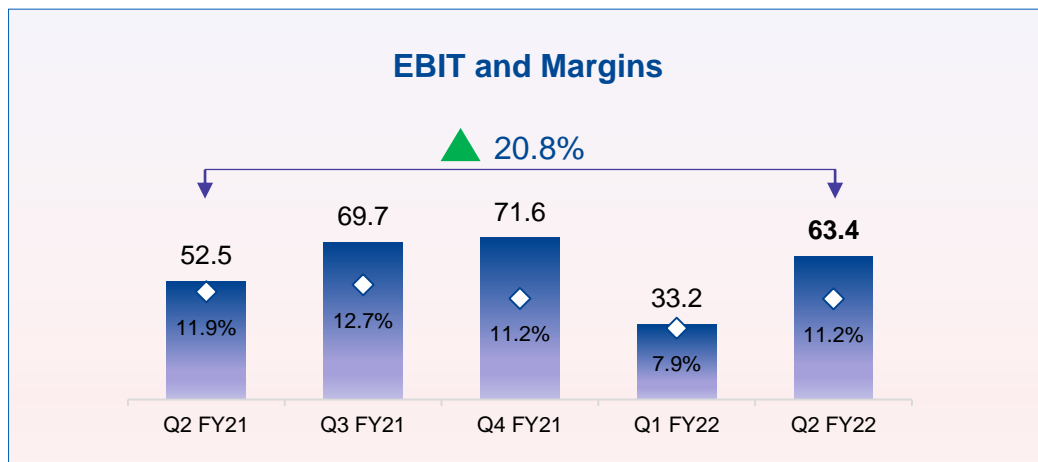
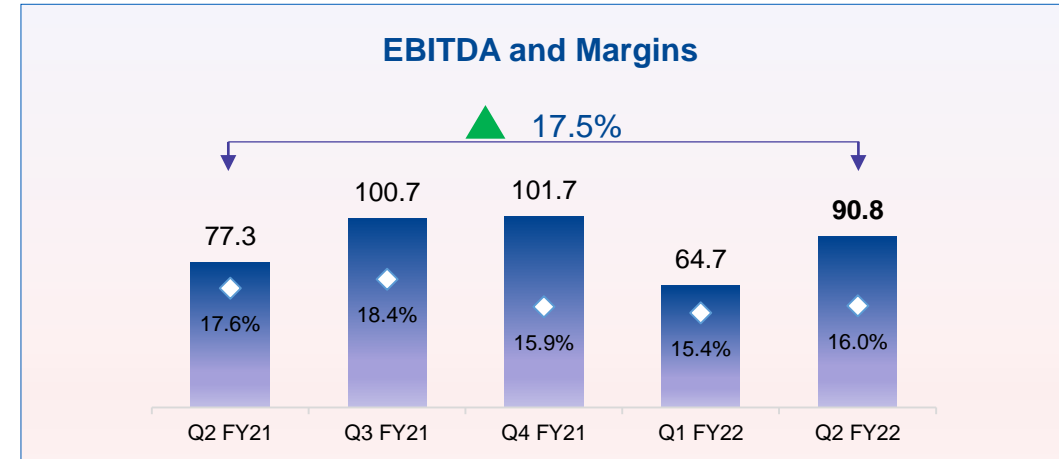
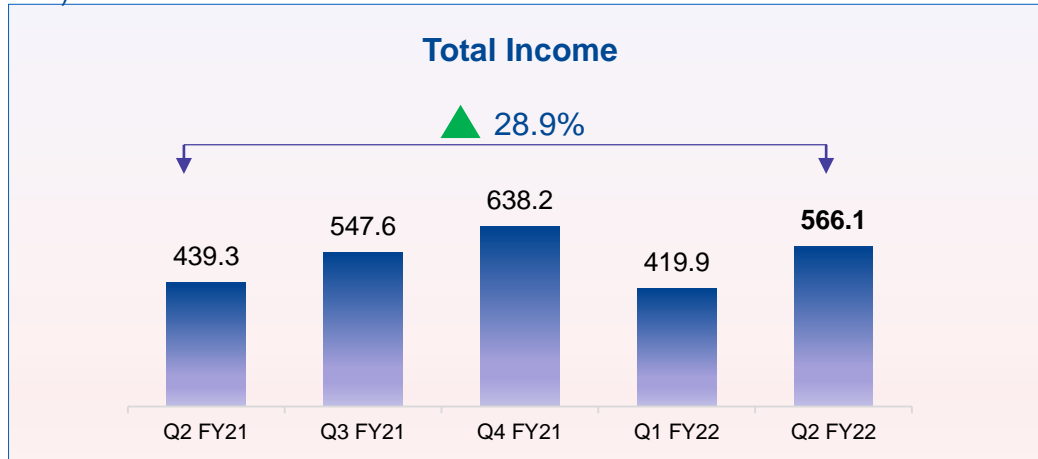
Notes:

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 growth with improvement in Profitability margins

(₹ in crore)



Notes:

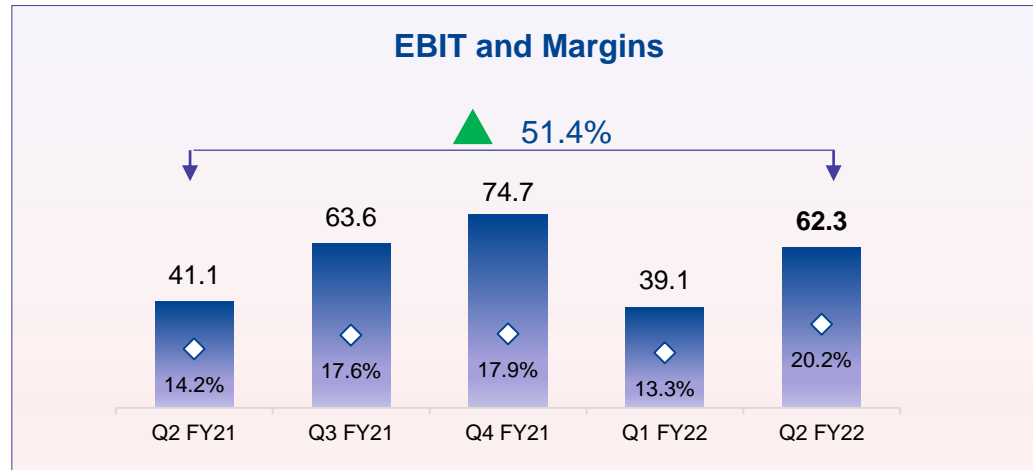
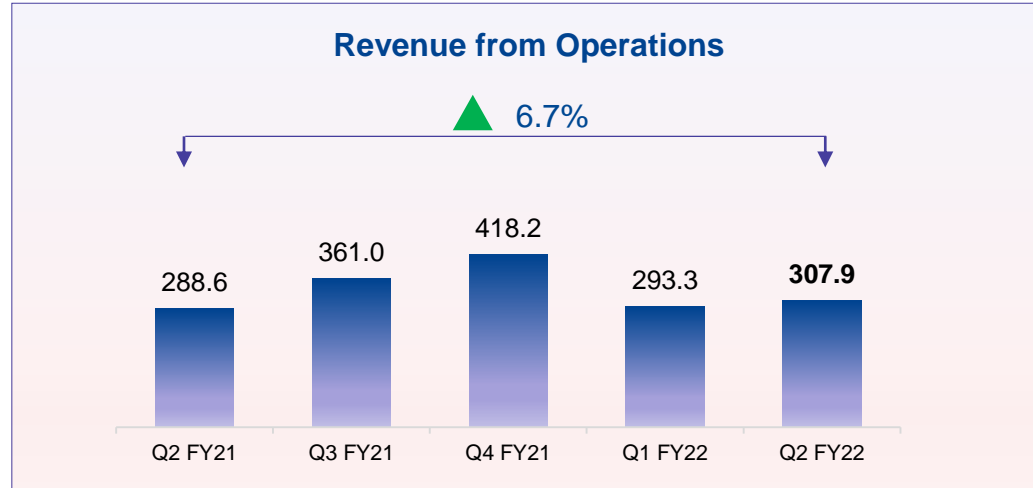
- All margins are calculated on Total Income
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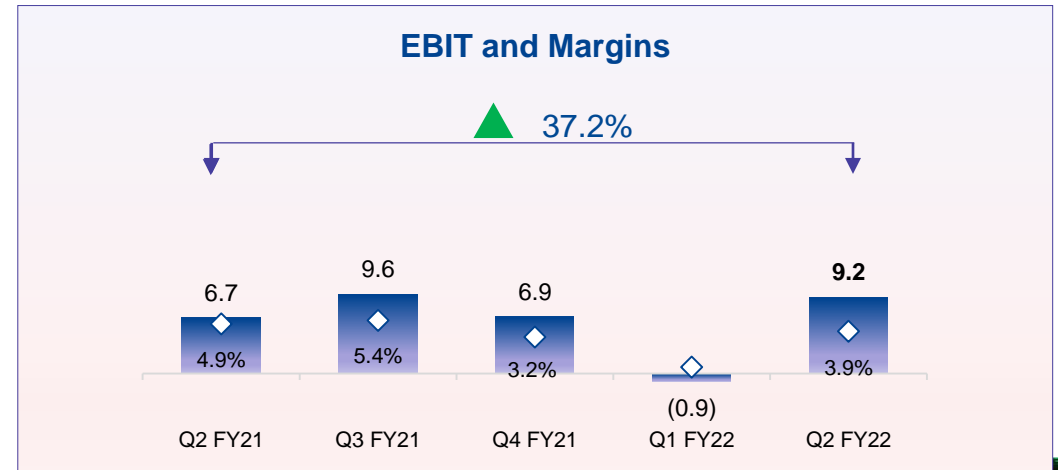
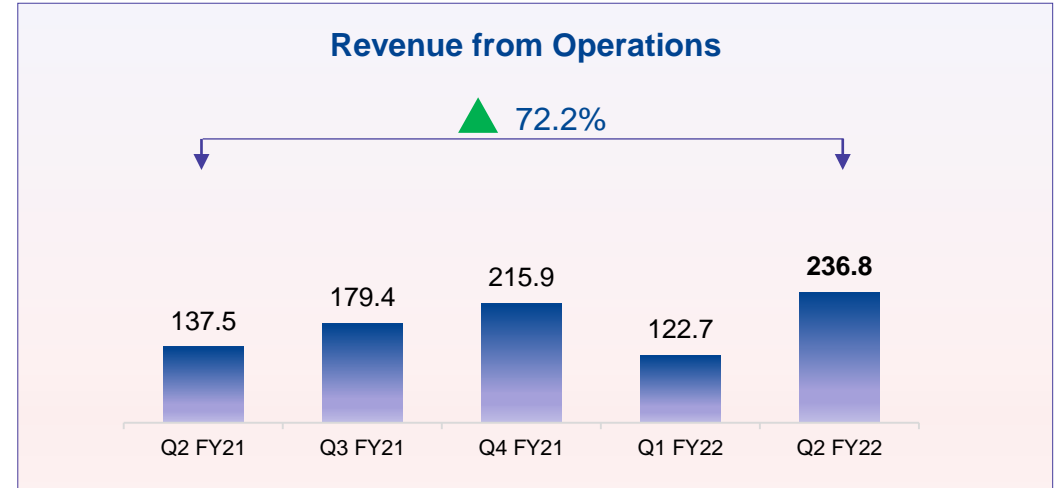
# Financial Performance Trend – By Division

(₹ in crore)

## Packaging Products



## Building Products



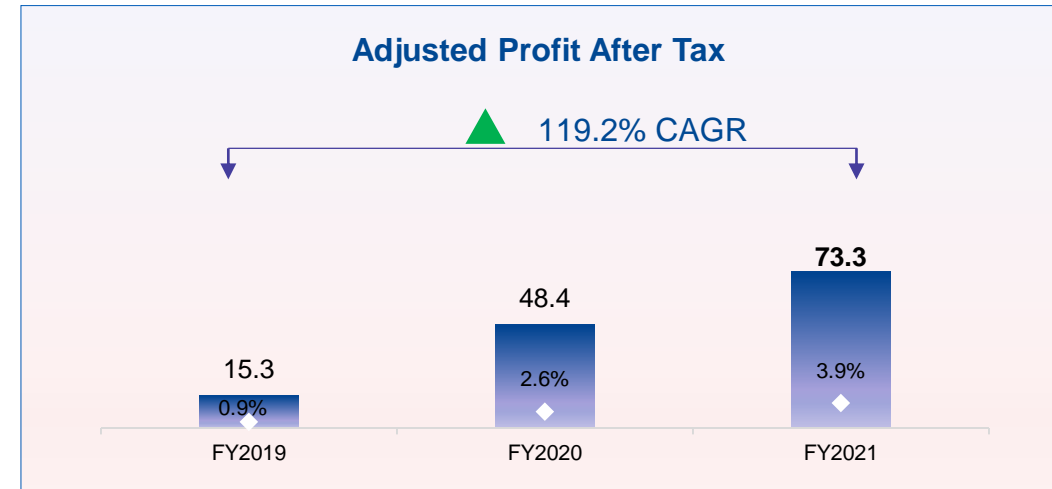
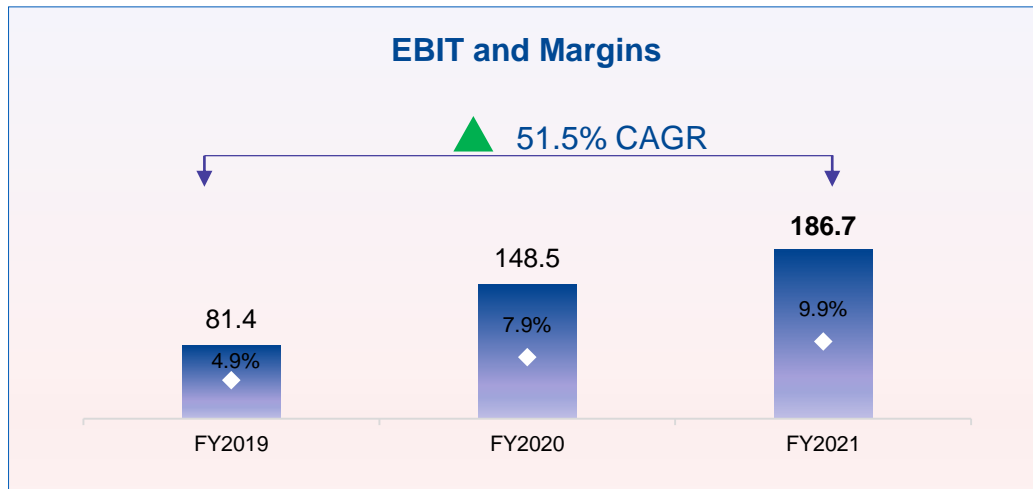
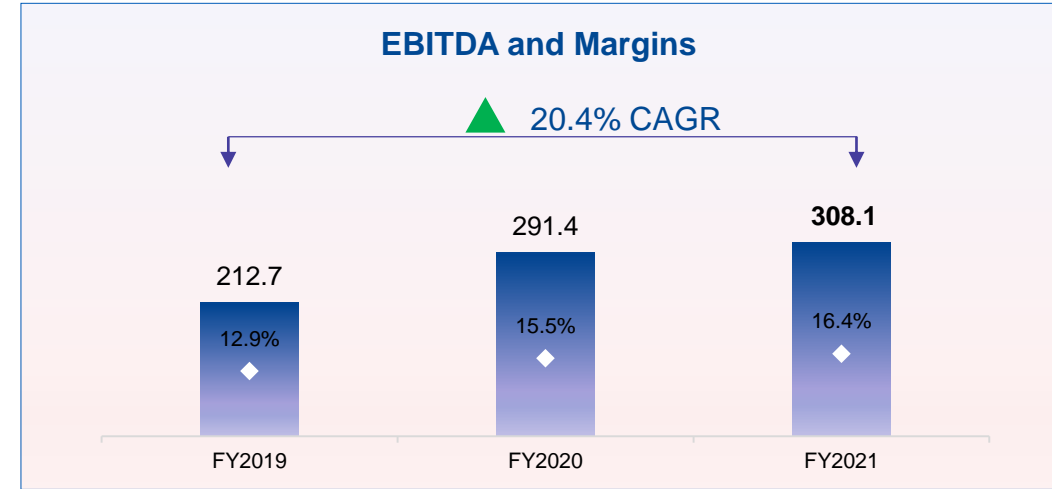
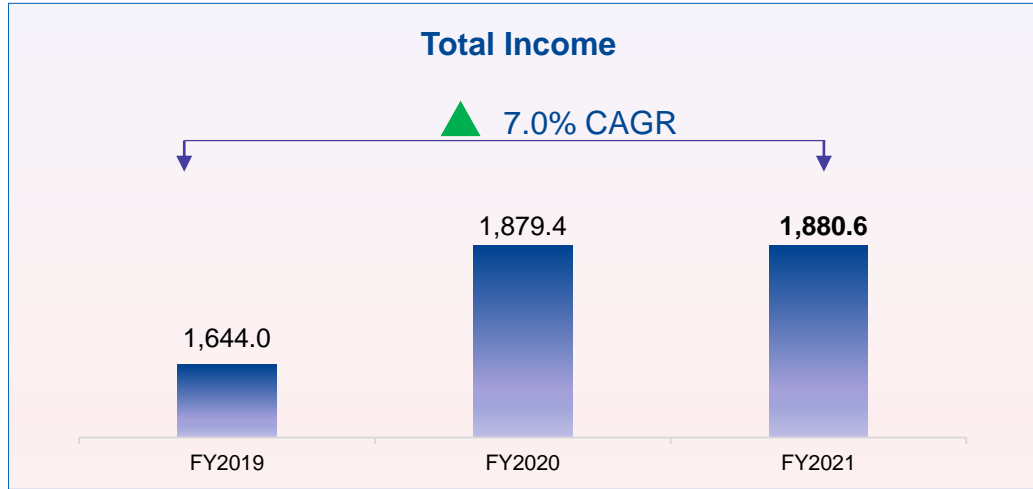
Note: Margins are calculated on Segment Income





# 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

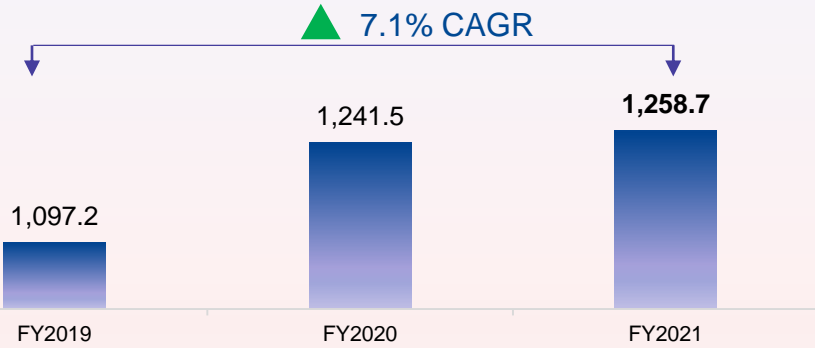


# Financial Performance Trend (Annual) – By Division

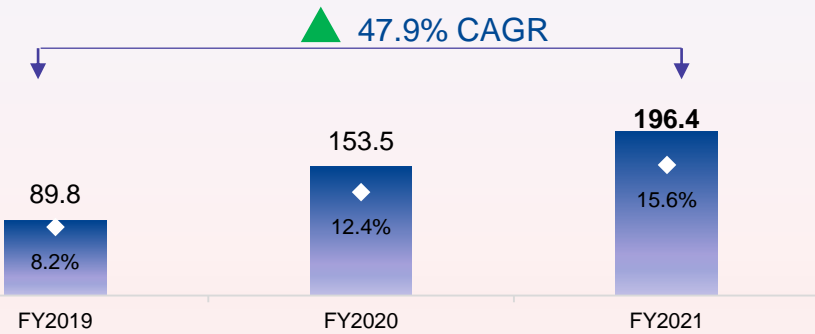
(₹ in crore)

## Packaging Products

### Revenue from Operations

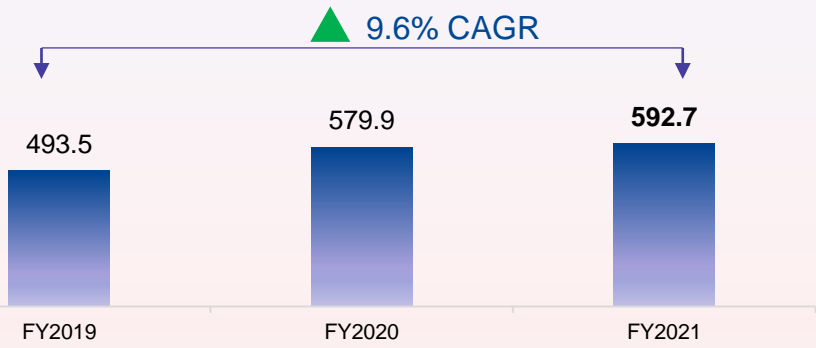


### EBIT and Margins

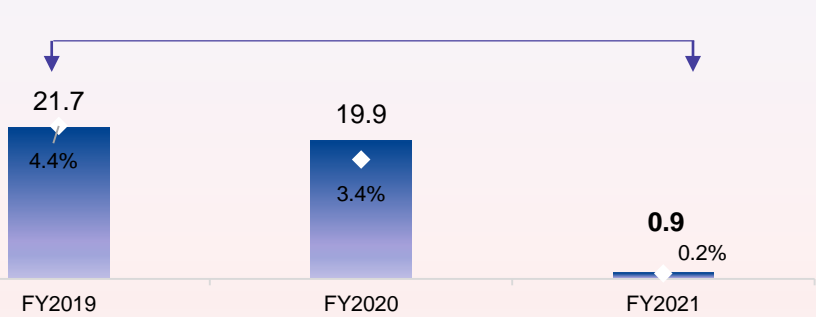


## Building Products

### Revenue from Operations



### EBIT and Margins



Note: All margins are calculated on Total Income



## Optimum Capital structure to support capital expenditure plans

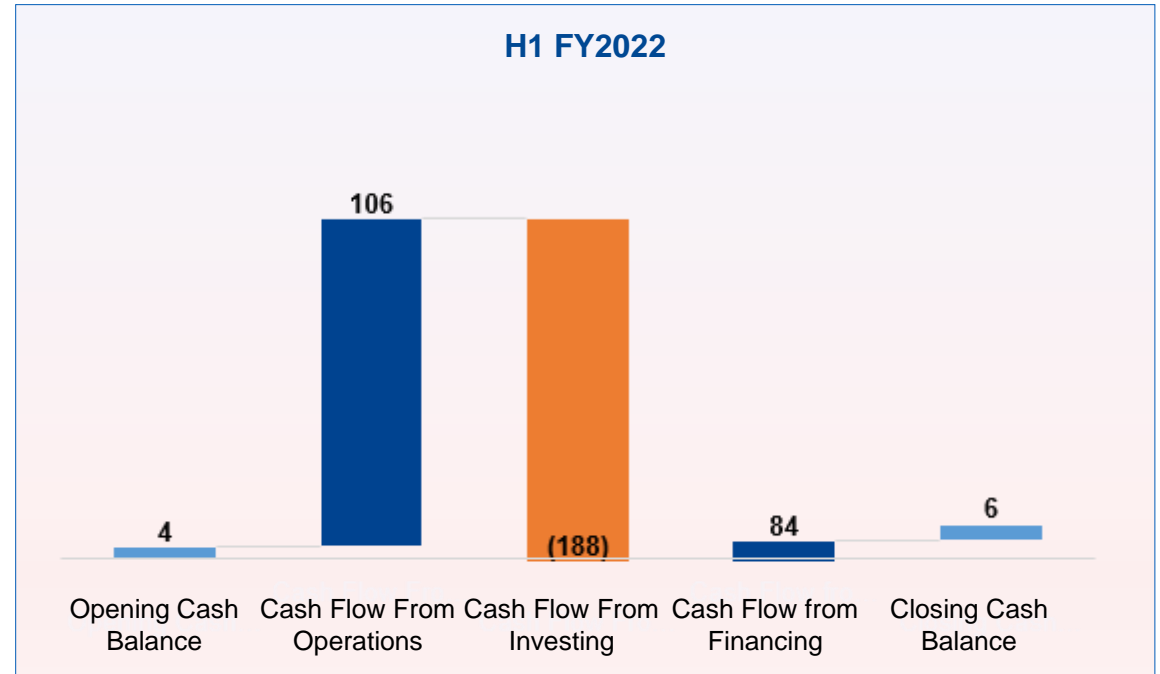
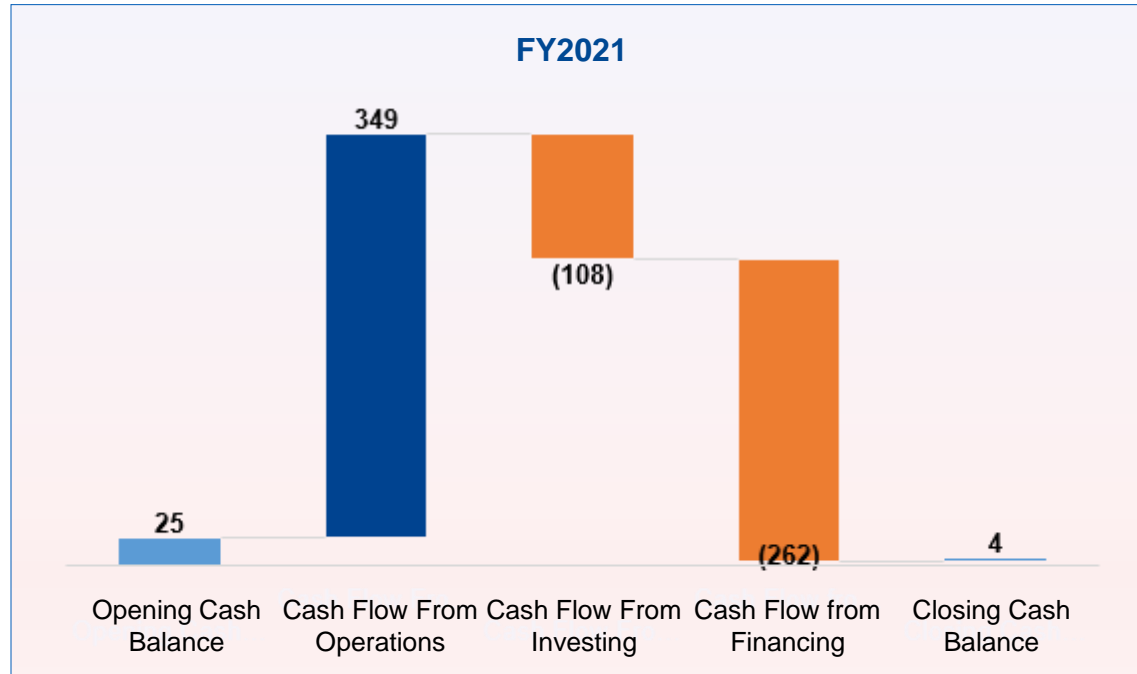
(₹ in crore)	Mar-19	Mar-20	Mar-21	Sept-21
Long Term Debt	703.2	728.7	675.4	791.7
Current Maturities of Long Term Debt	19.9	57.7	91.8	115.9
Short Term Debt	152.0	208.7	128.7	133.7
Deferred Government Loan	13.3	11.2	9.2	8.3
<b>Total Debt</b>	<b>888.5</b>	<b>1,006.3</b>	<b>905.1</b>	<b>1,049.6</b>
Less: Cash & Cash Equivalents	39.3	47.5	23.4	26.5
<b>Net Debt</b>	<b>849.1</b>	<b>958.8</b>	<b>881.7</b>	<b>1,023.1</b>
Total Equity	1,256.1	1,256.9	1,233.6	1,249.7
Net Debt/Equity	0.68x	0.76x	0.71x	0.82x

CARE A+; Stable Outlook  
Long Term Debt

CARE A1+  
Short Term Debt



(₹ in crore)



#### H1 FY2022 Key Highlights:

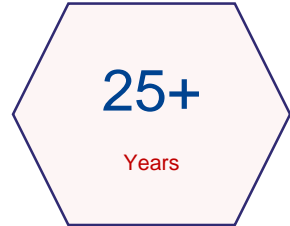
- Generated cash flow from operations of ₹106 crore in H1 FY2022
- In H1 FY2022, the company incurred capex of ₹188 crore



# Company Overview



## Leader in Glass Packaging in India



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



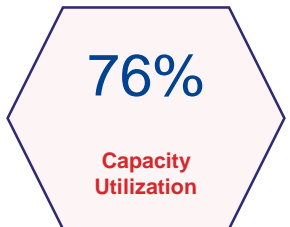
**2<sup>nd</sup> largest** glass container manufacturing capacity in India. Operates from 2 plants situated in Telangana



**~20% market share** in Indian organized glass packaging industry



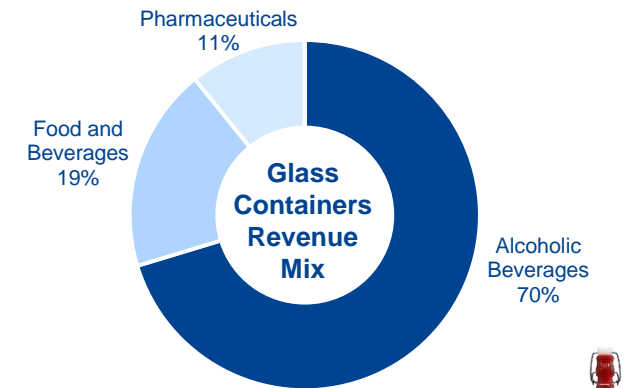
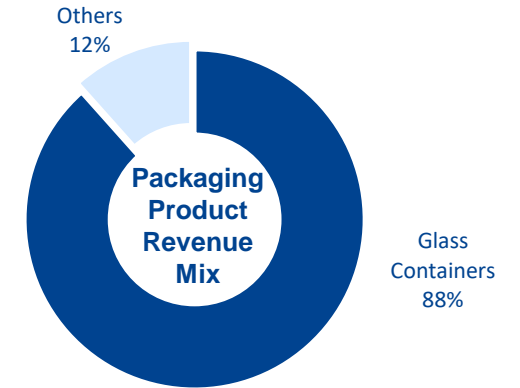
Strong relationship with end customers with selected pass through arrangements



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

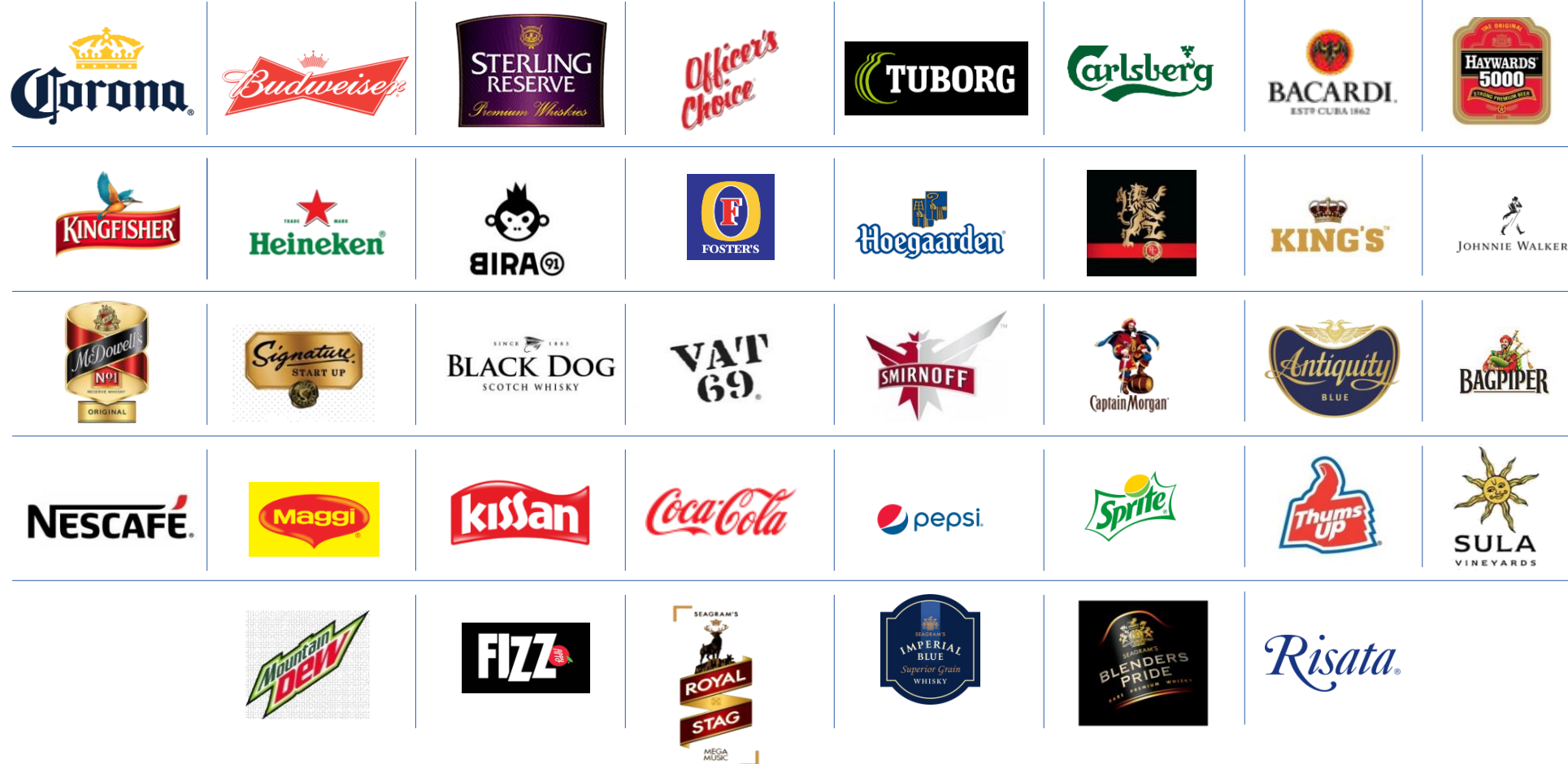
# Packaging Products – Our Customers

## Diversified institutional clients across industries




# Packaging Products – Our Customers

Diversified institutional clients across industries





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 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 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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