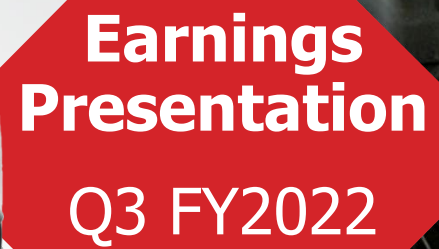


The HSIL logo is positioned in the top right corner. It features the letters 'HSIL' in a bold, white, sans-serif font. A red horizontal line is positioned above the 'S' and 'I', extending from the left edge of the 'H' to the right edge of the 'I'.

# HSIL

A red diamond-shaped graphic containing the text 'Earnings Presentation' and 'Q3 FY2022' in white, bold, sans-serif font. The diamond is oriented with its points towards the top-left, top-right, and bottom-left, with the bottom-right point missing.

## Earnings Presentation Q3 FY2022

The text 'PACKAGING EXCELLENCE' and 'GEARED FOR GROWTH' is located in the bottom right corner. It is written in a bold, white, sans-serif font. The background of this section is a photograph of a glass bottle manufacturing line, showing numerous small, clear glass bottles being processed by machinery.

**PACKAGING EXCELLENCE  
GEARED FOR GROWTH**

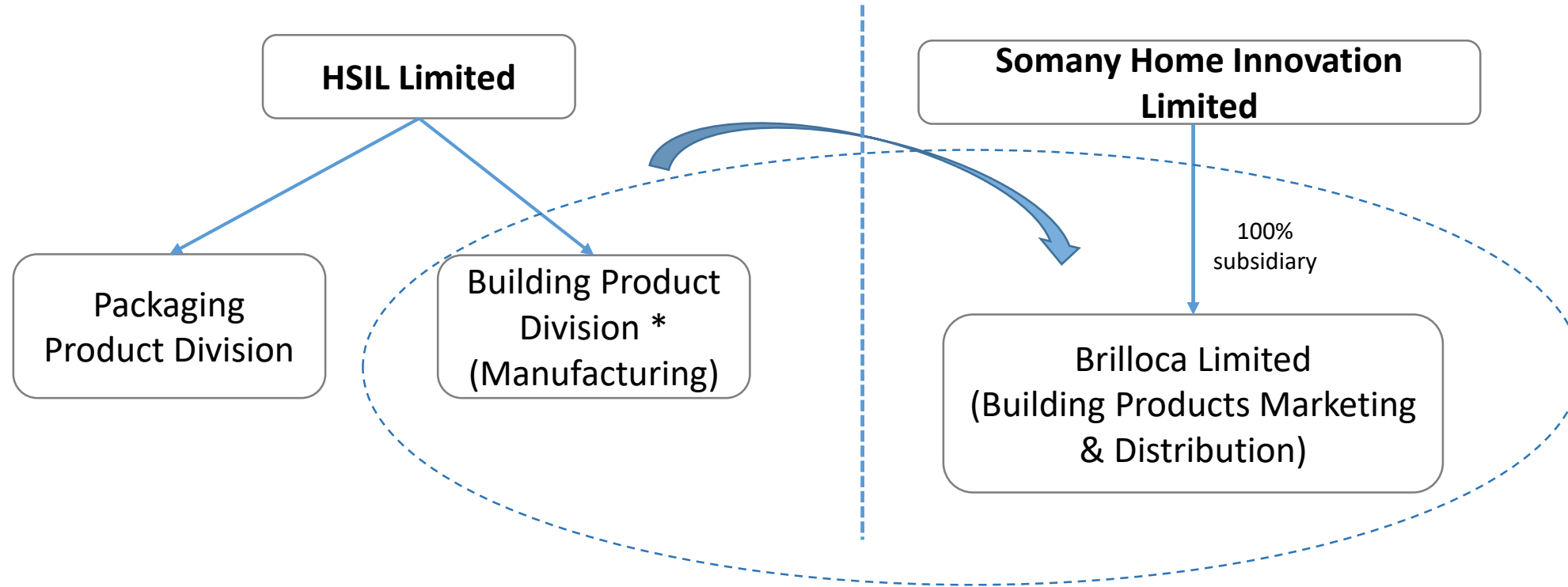
The website address 'www.hsilgroup.com' is located in the bottom left corner. It is written in a white, sans-serif font. The background of this section is a blue diamond shape.

[www.hsilgroup.com](http://www.hsilgroup.com)

# HSIL transforms to a focused Packaging Company



Slump sale of Building Product Division of HSIL for a Cash Consideration of ₹630 Crore<sup>#</sup>




*\*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 31<sup>st</sup> 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:**



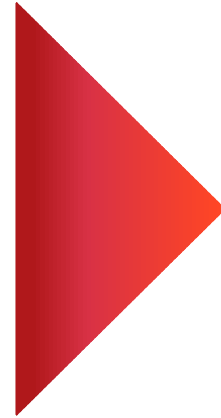
*“This transaction will have a transformative impact on the market positioning and growth prospects of HSIL.*

*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





# 9M FY2022 Performance Highlights



## 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



# Q3 FY2022 Performance Highlights



## 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



# Q3 FY2022 Performance Highlights - By Division



## 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



	Q3		Y-o-Y	Q2	Q-o-Q	Nine Months		Y-o-Y
(₹ in crore)	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



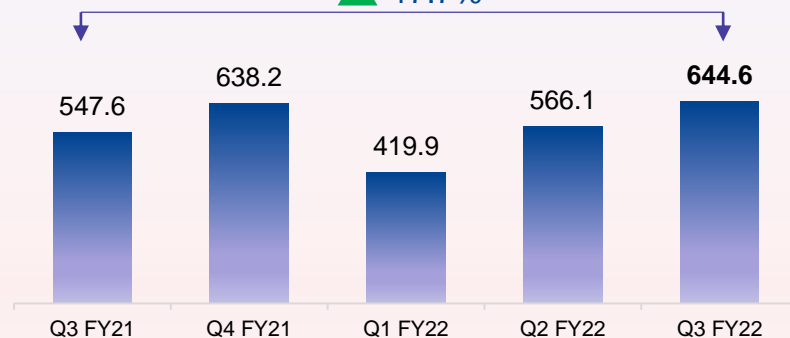


## HSIL continues to deliver a resilient year on year topline growth

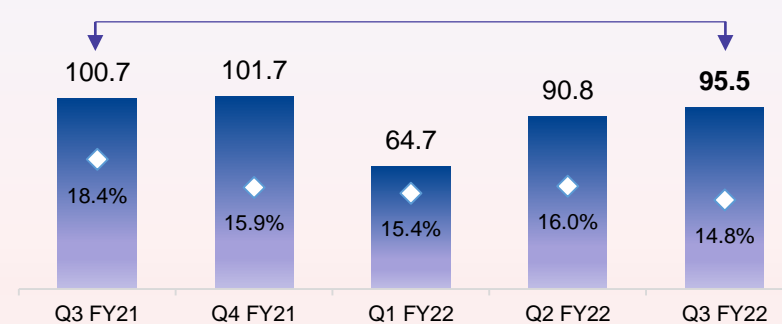
(₹ in crore)

### Total Income

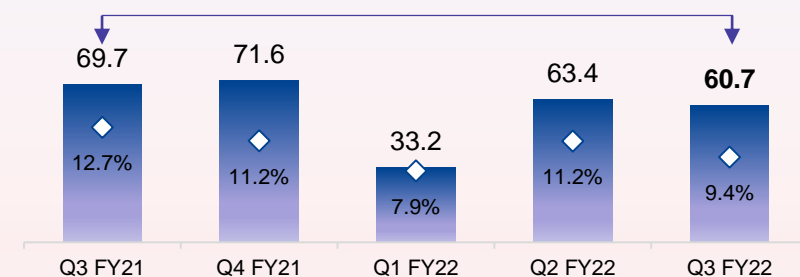
▲ 17.7%



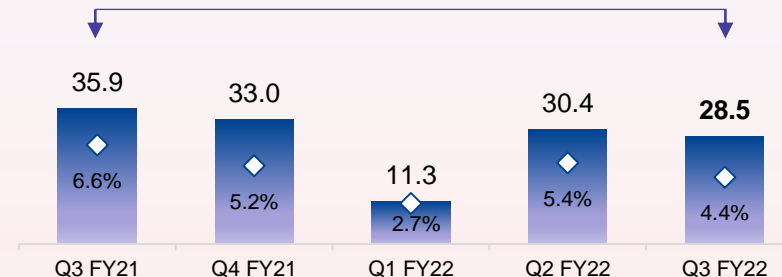
### EBITDA and Margins



### EBIT and Margins



### Profit After Tax



Notes:

1. All margins are calculated on Total Income

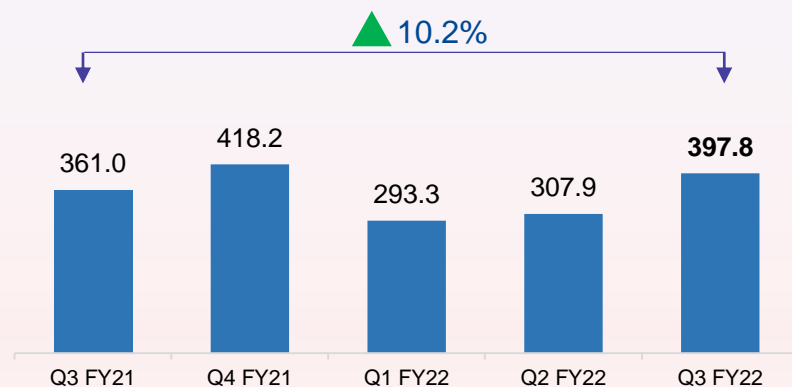


# Financial Performance Trend – By Division

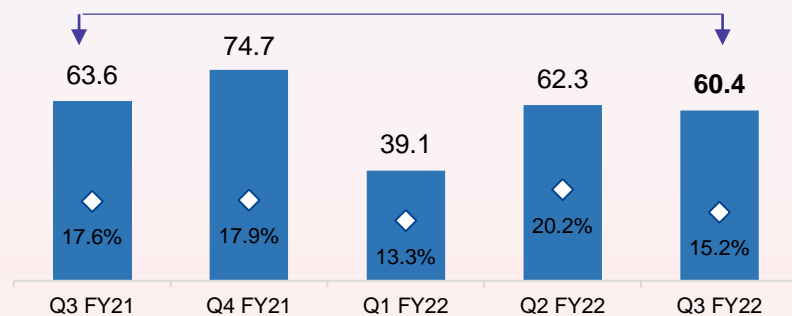
(₹ in crore)

## Packaging Products

### Revenue from Operations

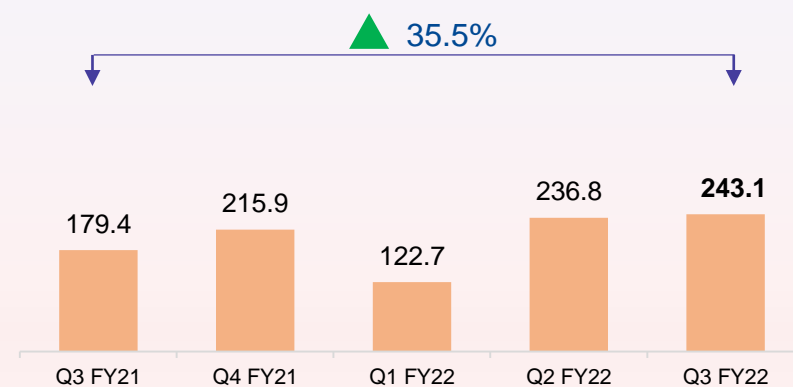


### EBIT and Margins

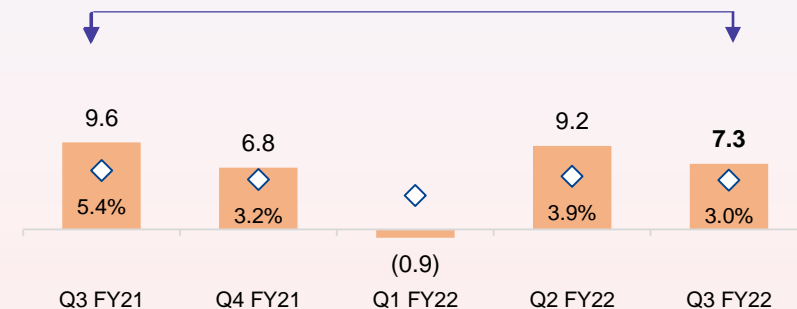


## Building Products

### Revenue from Operations



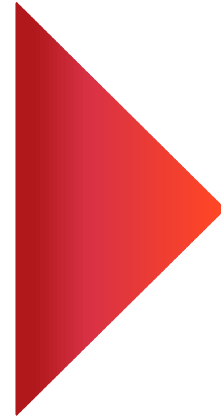
### EBIT and Margins



Note: Margins are calculated on Segment Income



# Company Overview



## Leader in Glass Packaging 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%

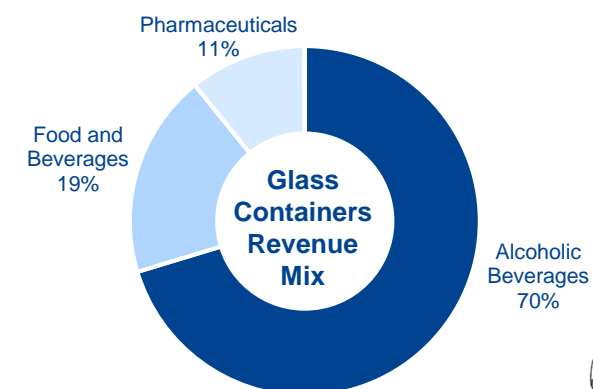
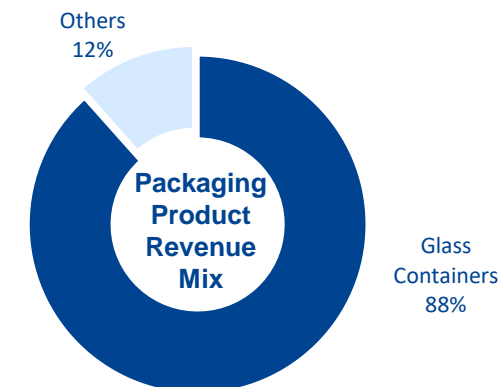
Capacity Utilization

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



## 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





# 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





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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/>