

**Earnings
Presentation
Q4 FY2021**



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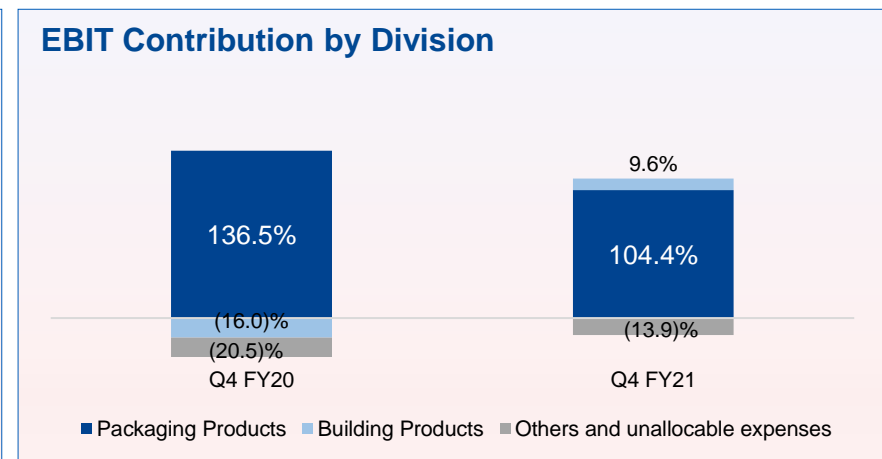
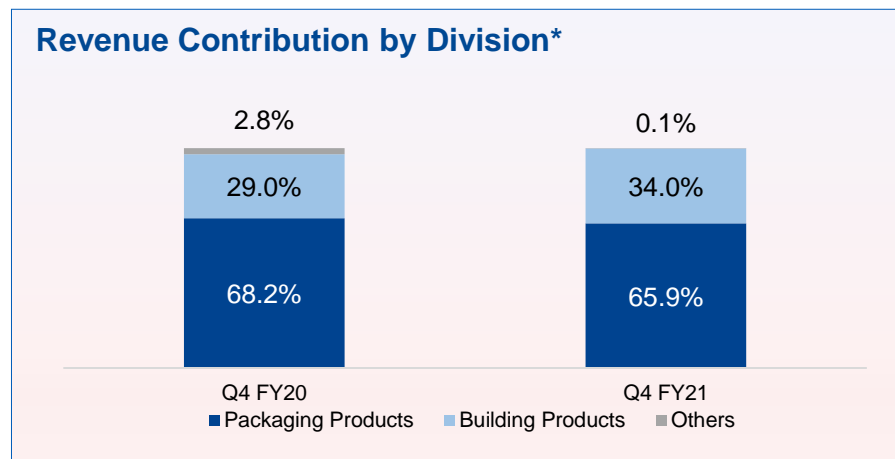
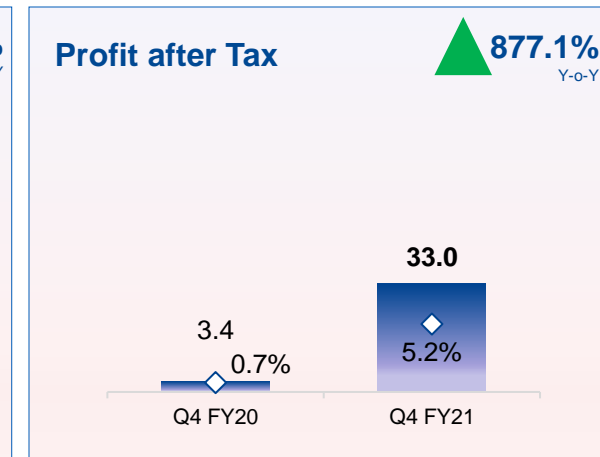
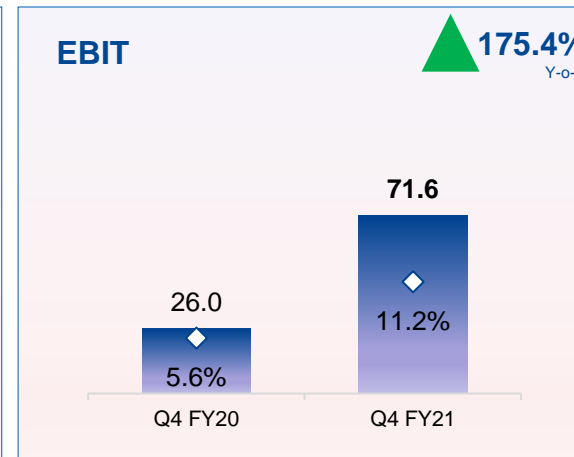
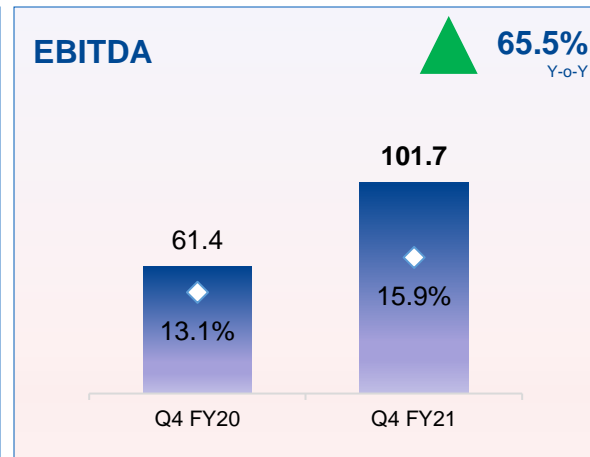
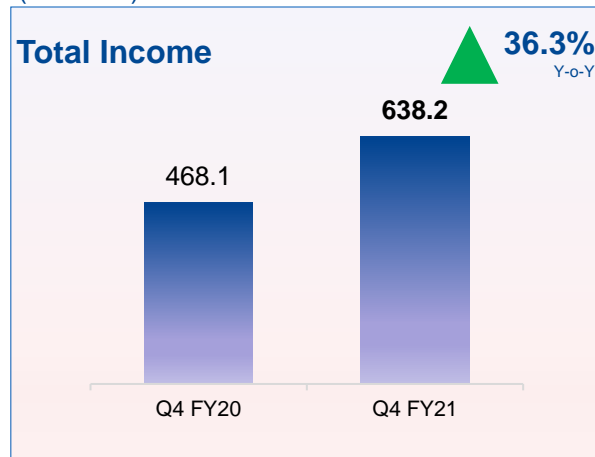
**PACKAGING EXCELLENCE
GEARED FOR GROWTH**

Q4 FY2021 Highlights



HSIL closed a year on a strong note, delivered EBITDA of ₹102 Crore in Q4 FY2021, registering a growth of 65.5% on Y-o-Y basis

(₹in crore)

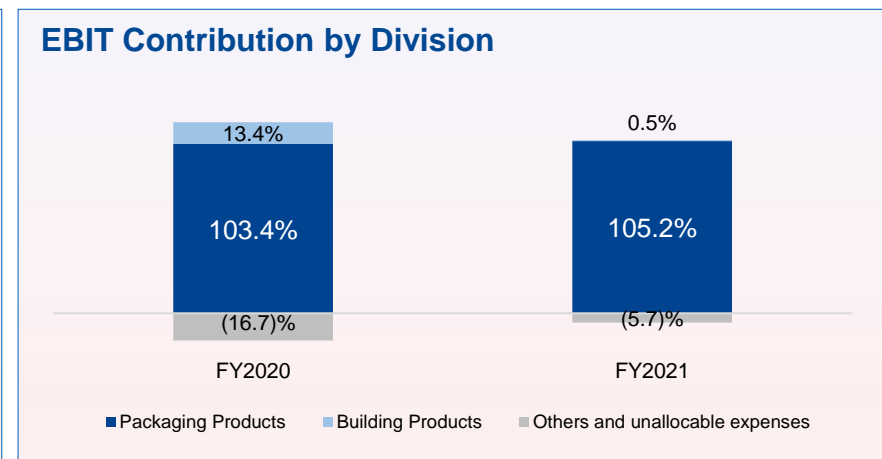
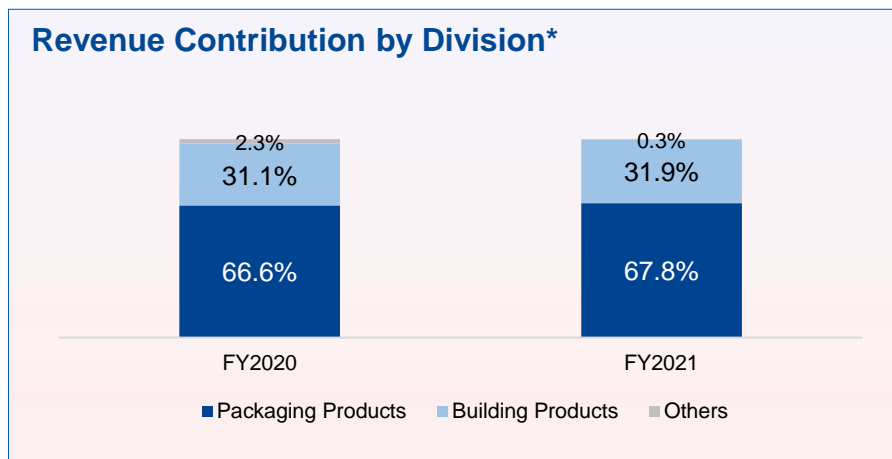
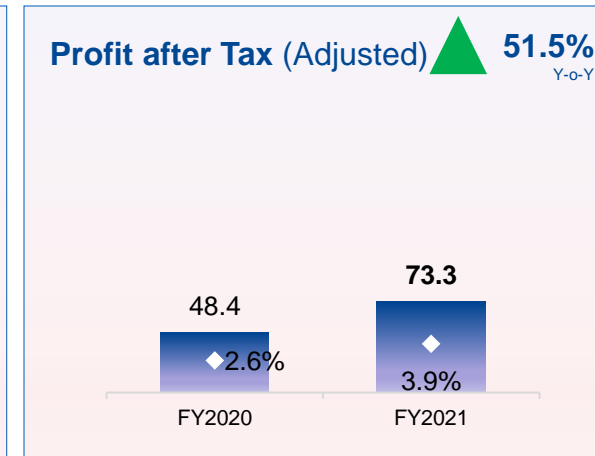
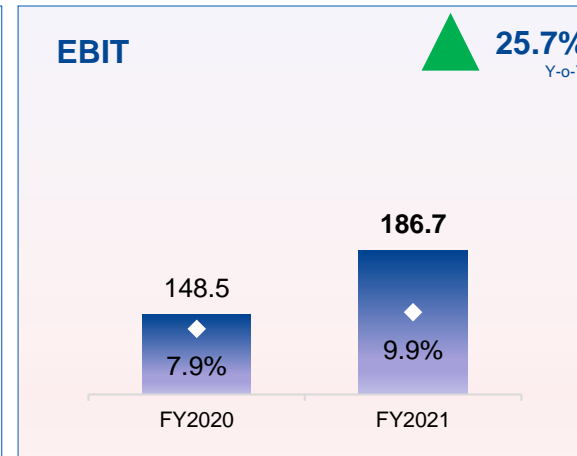
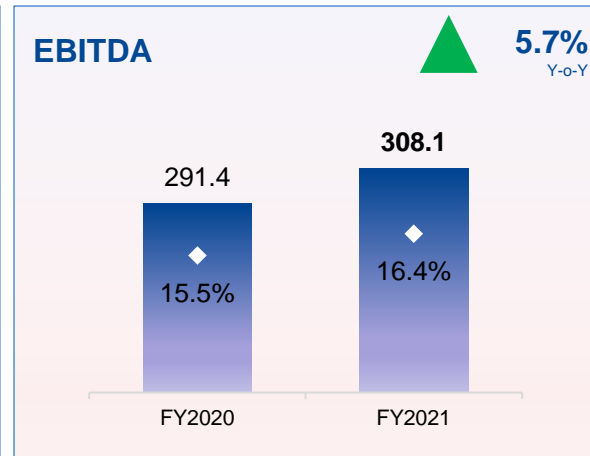
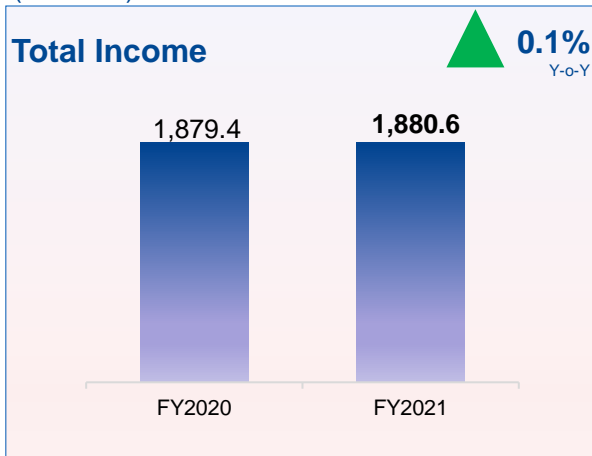


* Inter segment revenue has not been eliminated



HSIL delivered strong annual growth despite losses emanating from lockdown in Q1 FY2021

(₹in crore)



* Inter segment revenue has not been eliminated



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:

"Despite nation-wide lockdown at the beginning of the year, I am pleased with our Q4 FY2021 performance

and have closed an otherwise challenging year on a strong note. The sales and profit growth also reflects the resilience of our business model. During the year, we focused on our costs and efficiencies to deliver a robust performance on a quarter-on-quarter basis. The improvement in margins over the last year clearly demonstrates our abilities to work and deliver under uncertain times. For our future growth, we are investing in a greenfield project for specialty glass packaging and increasing our plastic pipes and fittings plant capacity. With a clear strategic direction, HSIL is well positioned to drive profitable growth in the coming years and create value for all stakeholders."

Q4 FY2021 Key Highlights

- Sales growth during the quarter was driven by improved realizations and better product mix. Volumes were driven by increasing demand of glass containers from beer, and food and beverage industry
- Delivered EBITDA of ₹102 crore, registering a robust growth of 65.5% on y-o-y basis. EBITDA margins improved from 13.1% in Q4 FY20 to 15.9% in Q4 FY21
- Margins were driven by better product mix and higher operational efficiencies at our plants resulting in lower fuel / power and other costs per unit

FY2021 Key Highlights

- Generated strong net cash flow from operations of ₹298 crore, registering a growth of 179% y-o-y. This is excluding one time income tax refund of ₹51 crore in FY2021
- Incurred capex of ₹170 crore
- Company repaid total debt of ₹93.3 crore and also utilized cash of ₹78.4 crore towards the Buy Back of Shares



Performance Highlights – By Division



Packaging Products

66% Revenue Contribution

Building Products

34% Revenue Contribution

FY 2021

▲ Revenue from Operations
₹1,259 Cr
1.4% Y-o-Y

▲ EBIT
₹196 Cr
15.6% Margins

▲ Revenue from Operations
₹593 Cr
2.2% Y-o-Y

▼ EBIT
₹0.9 Cr
0.2% Margins

Q4 FY 2021

▲ Revenue from Operations
₹418 Cr
31.5% Y-o-Y

▲ EBIT
₹75 Cr
17.9% Margins

▲ Revenue from Operations
₹216 Cr
59.7% Y-o-Y

▲ EBIT
₹7 Cr
3.2% Margins

Key Highlights:

- Revenue growth was driven by improvement on account of improved realizations and better product mix
- Volumes were driven by increased demand for glass bottles from multiple user segments thereby driving better volumes
- EBIT margins improved to 17.9% in Q4 FY2021 from 11.2% in Q4 FY2020 as a result of better product mix and higher operational efficiencies at the plants resulting in lower fuel and power costs per unit
- Glass container capacity utilization during the quarter was 85% as compared to 79% in the same quarter last year

Key Highlights:

- Post Covid-19 lockdowns, all our plants are now operational and the capacity utilization levels continues to improve quarter on quarter
- During the year, the division focused on automation, reducing wastage and increasing overall efficiencies



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

2nd largest glass container manufacturing capacity in India. Operates at 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%

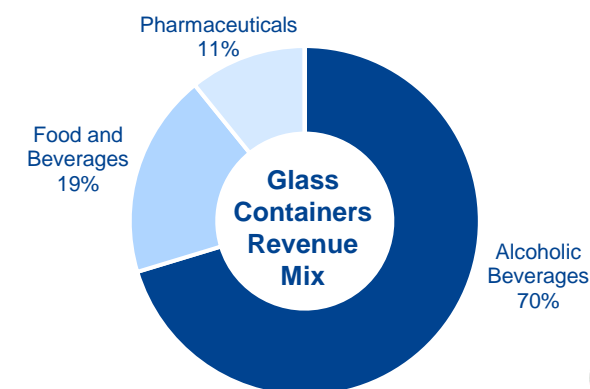
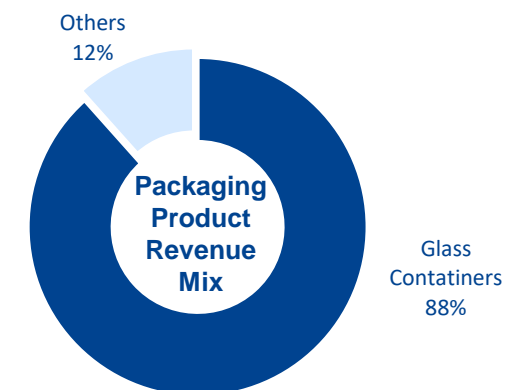
Capacity Utilization

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 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 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 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 due to usage of natural light and energy saving equipments

Increased efficiency and productivity

High morale among stakeholders – clients and employees

Sustainable business



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



	Q4		Y-o-Y	Q3	Q-o-Q	Full Year		Y-o-Y
(₹ in crore)	FY2021	FY2020	Growth (%)	FY2021	Growth (%)	FY2021	FY2020	Growth (%)
Income from Operations	633.2	461.0	37.3%	541.5	16.9%	1,852.6	1,859.1	(0.3)%
Other Income	5.0	7.1	(29.4)%	6.1	(17.9)%	28.0	20.3	
Total Income	638.2	468.1	36.3%	547.6	16.6%	1,880.6	1,879.4	0.1%
EBITDA	101.7	61.4	65.5%	100.7	1.0%	308.1	291.4	5.7%
Margins (%)	15.9%	13.1%		18.4%		16.4%	15.5%	
EBIT	71.6	26.0	175.4%	69.7	2.7%	186.7	148.5	25.7%
Margins (%)	11.2%	5.6%		12.7%		9.9%	7.9%	
PAT	33.0	3.4	877.1%	35.9	(8.1)%	88.1	48.4	81.8%
Margins (%)	5.2%	0.7%		6.6%		4.7%	2.6%	
Adjusted PAT*	33.0	3.4	877.1%	35.9	(8.1)%	73.3	48.4	51.5%
Margins (%)	5.2%	0.7%		6.6%		3.9%	2.6%	
EPS on reported PAT (in ₹)	4.77	0.47	914.3%	5.08	(6.2)%	12.71	6.69	90.0%

Notes:

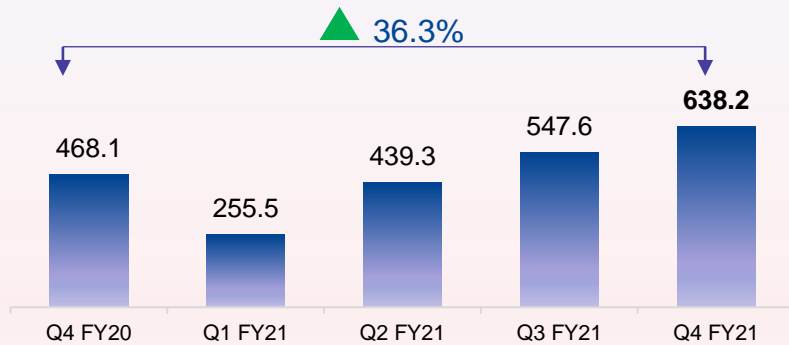
1. All margins are calculated on Total Income
2. Adjusted PAT is calculated after adjusting income tax writebacks of ₹14.7 crore in FY2021



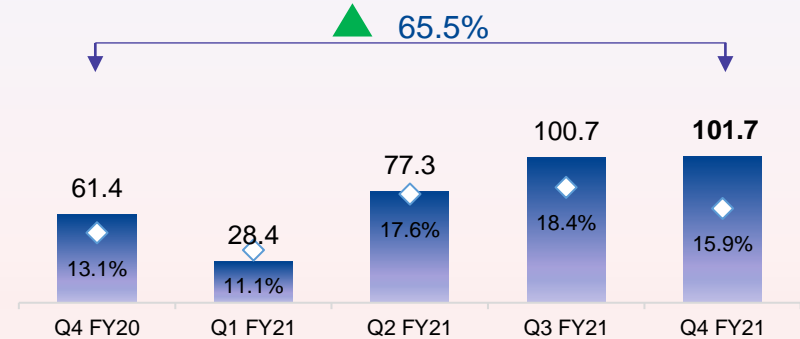
HSIL continues to deliver a strong quarter on quarter growth with significant improvement in EBITDA margins

(₹ in crore)

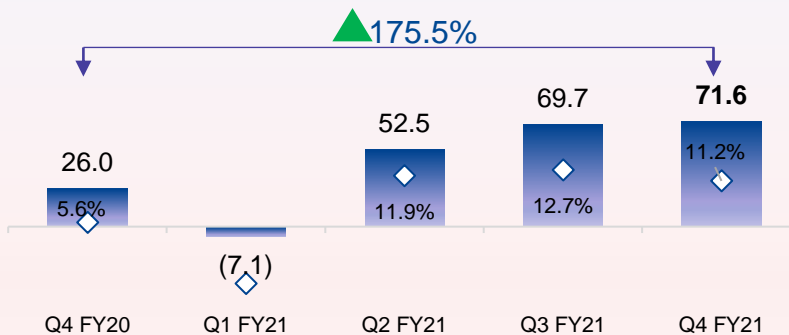
Total Income



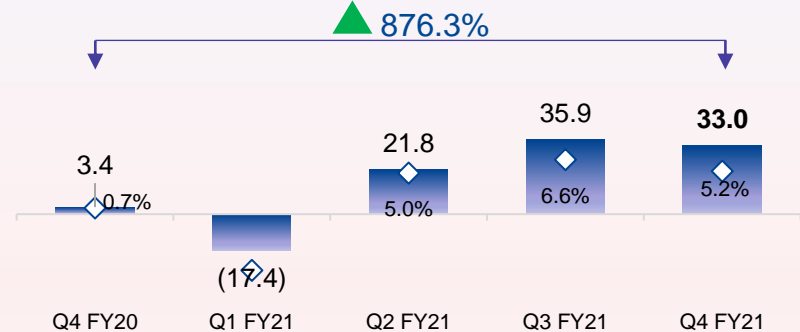
EBITDA and Margins



EBIT and Margins



Adjusted Profit After Tax



Notes:

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2. Adjusted PAT is calculated after adjusting income tax writebacks of ₹14.7 crore in Q2 FY2021

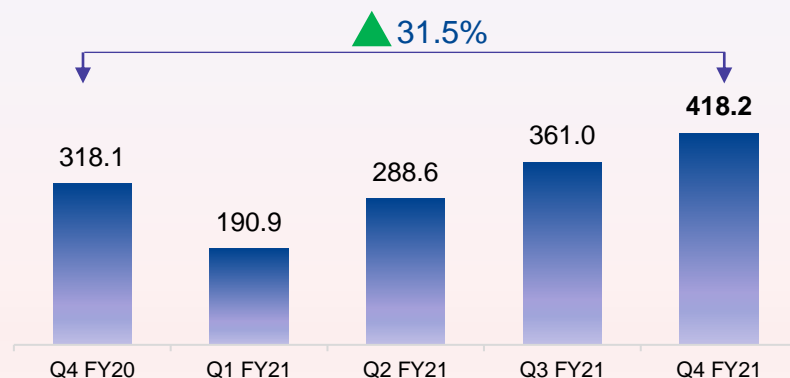


Financial Performance Trend – By Division

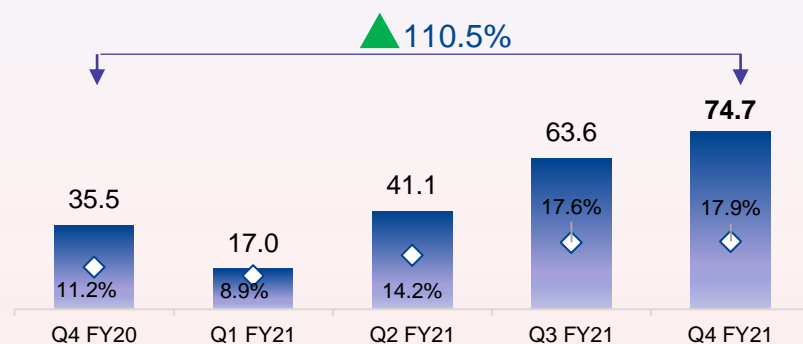
(₹in crore)

Packaging Products

Revenue from Operations

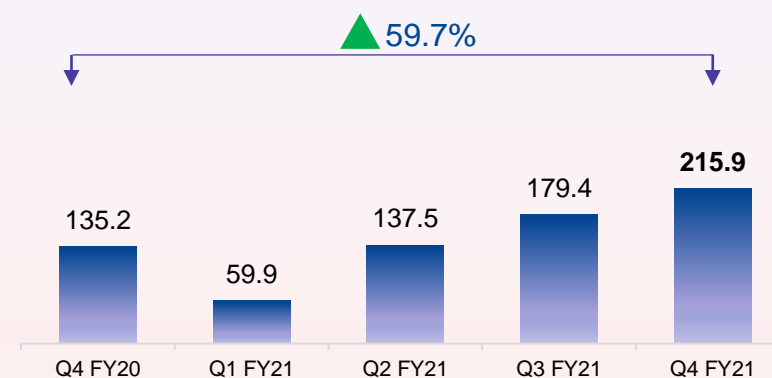


EBIT and Margins

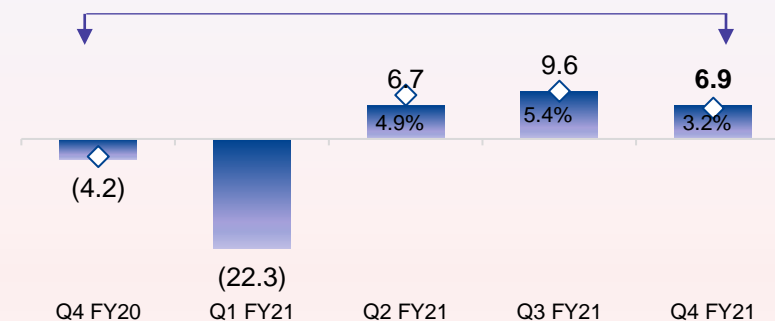


Building Products

Revenue from Operations



EBIT and Margins

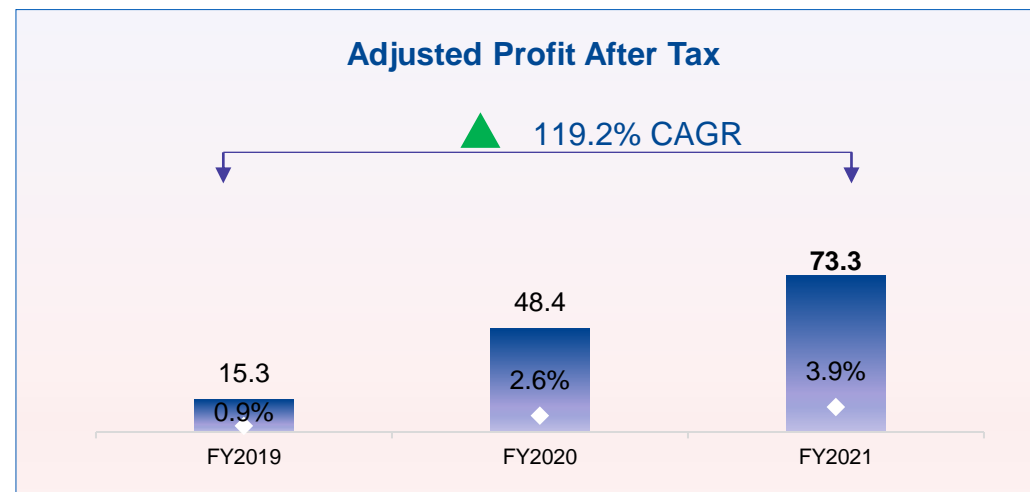
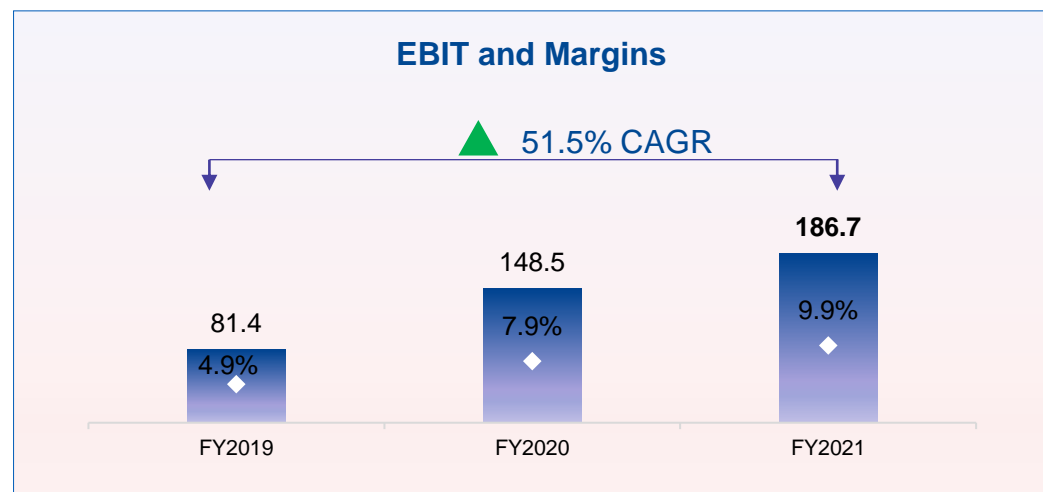
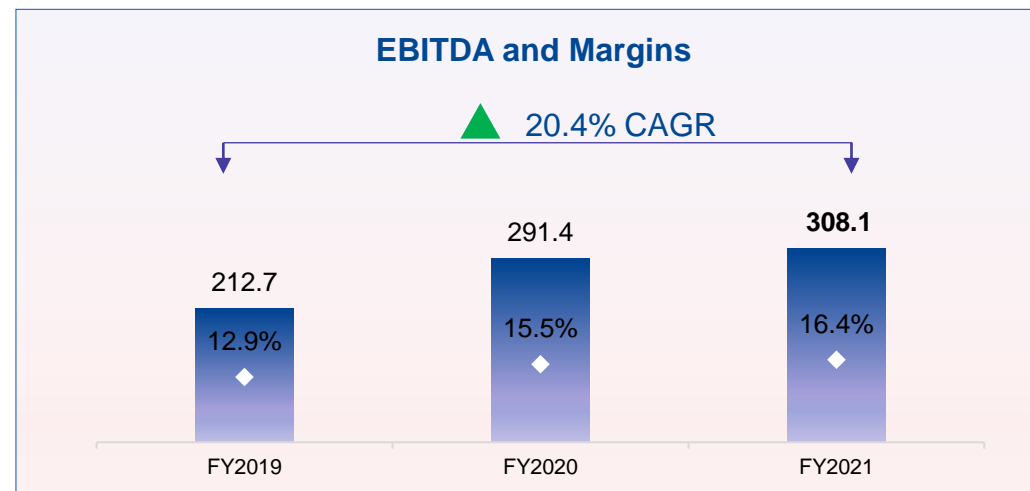
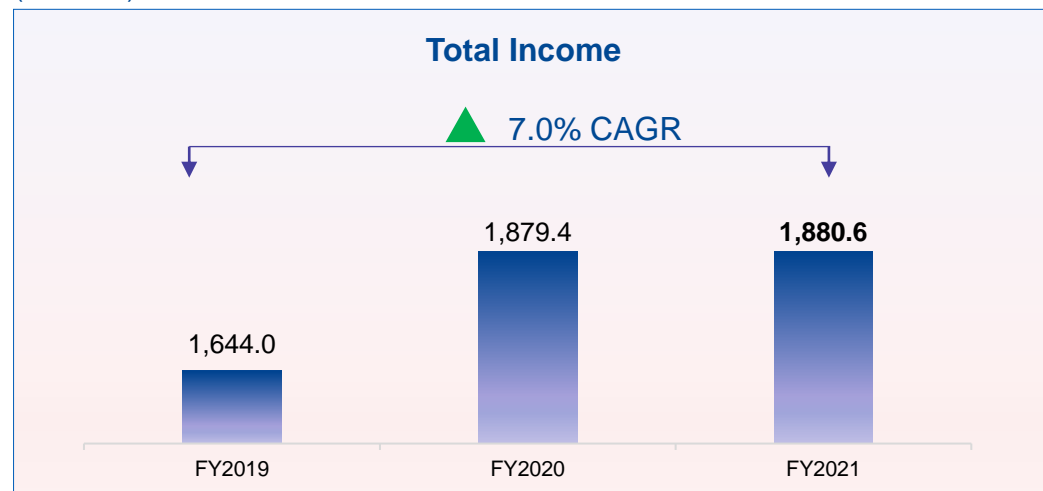


Note: Margins are calculated on Segment Income



Financial Performance Trend - Annual

(₹in crore)

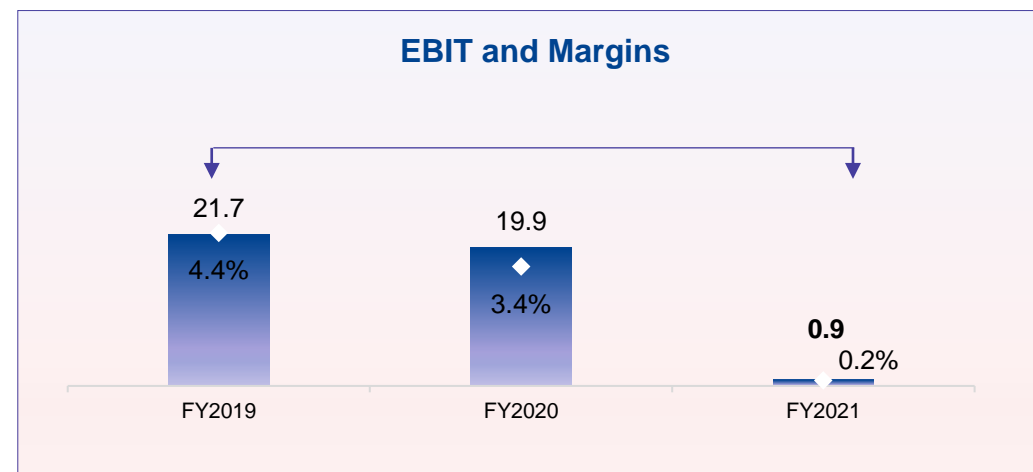
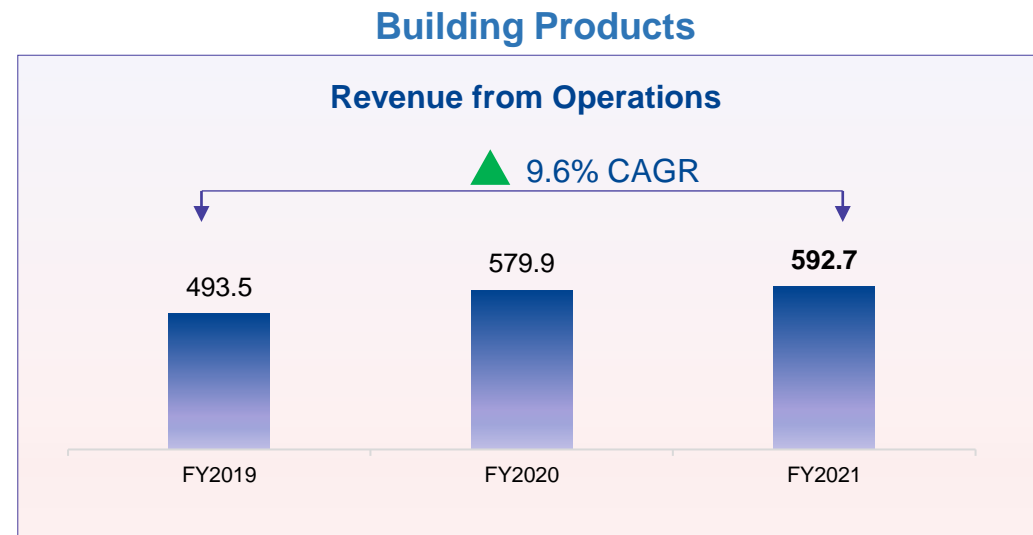
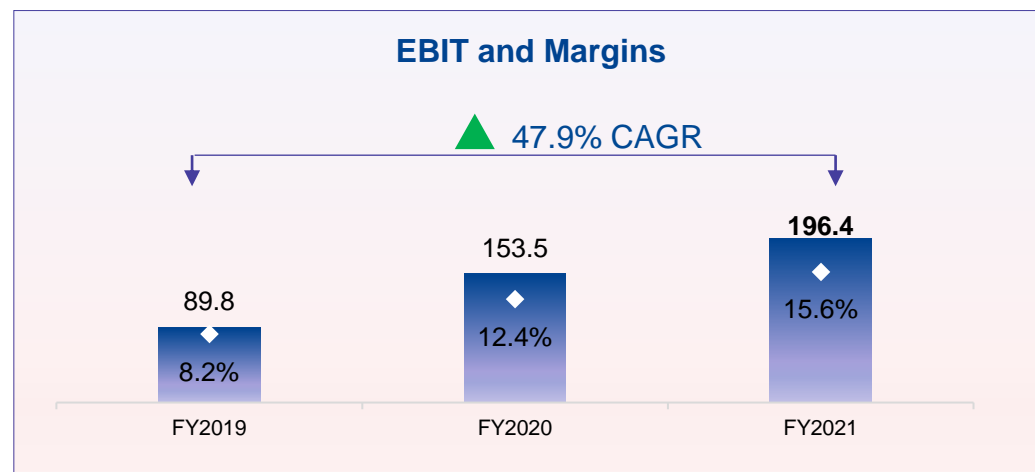
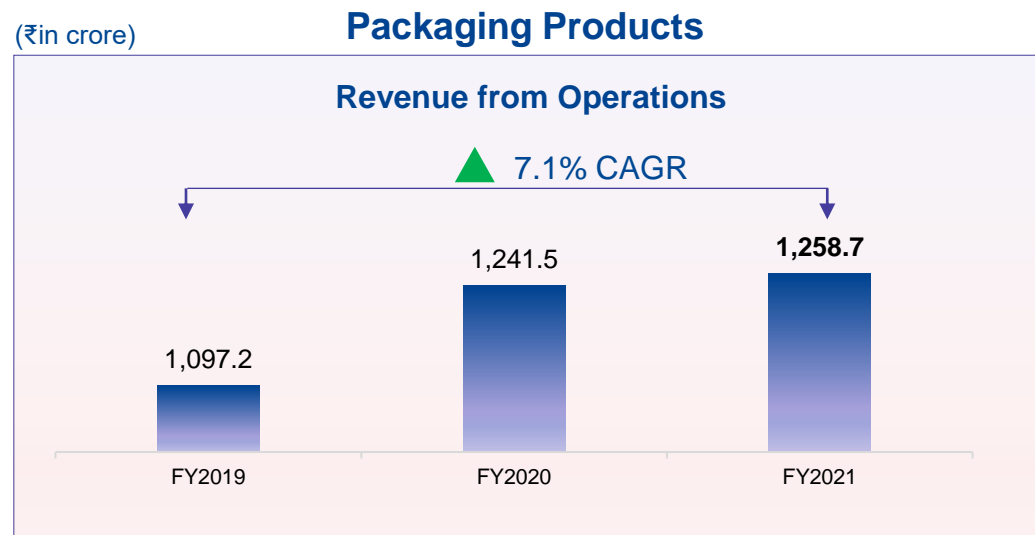


Notes:

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2. Adjusted PAT is calculated after adjusting income tax writebacks of ₹14.7 crore in FY2021



Financial Performance Trend (Annual) – By Division



Note: All margins are calculated on Total Income



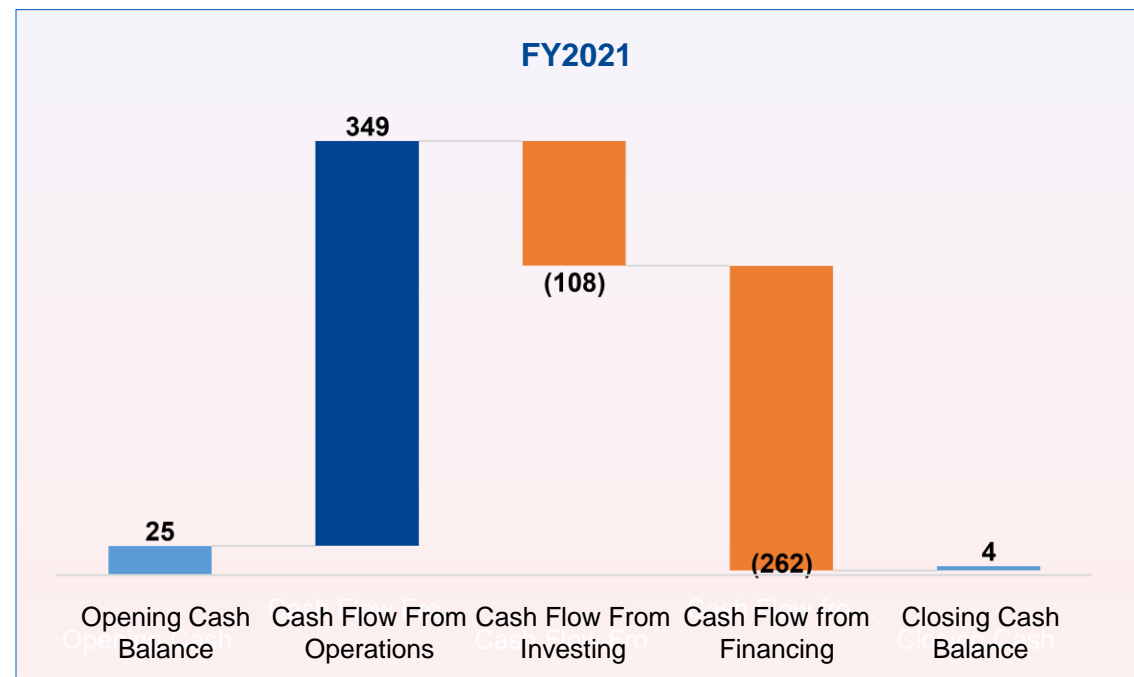
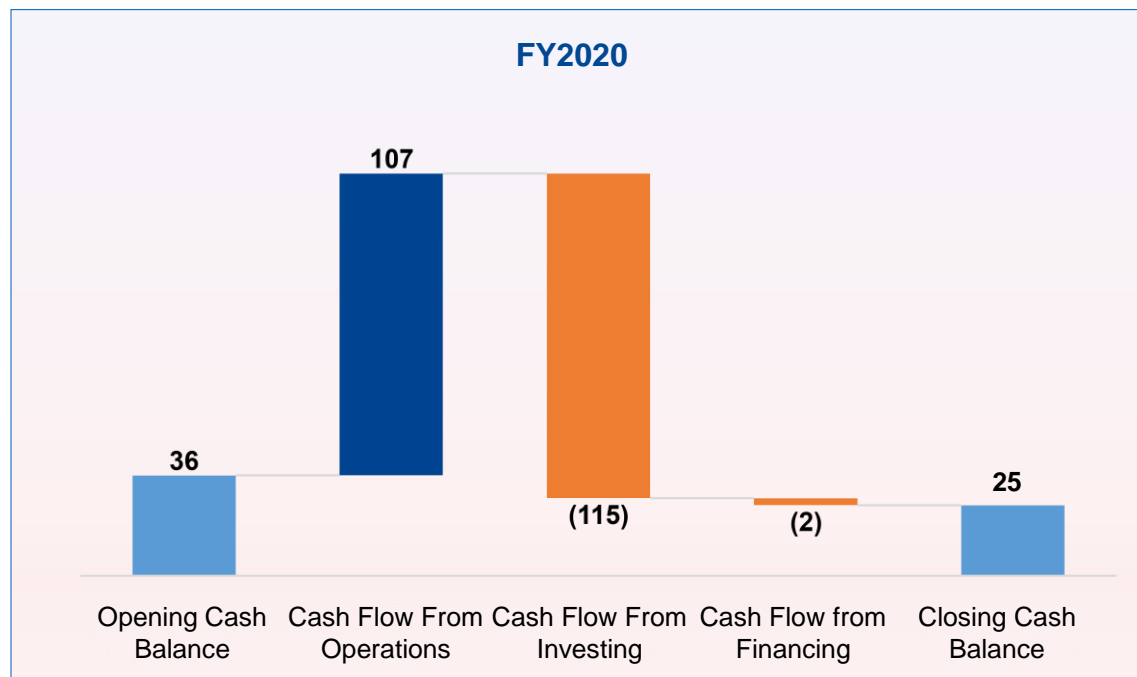
Strengthening Balance Sheet

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

CARE A+; Stable Outlook
Long Term Debt

CARE A1+
Short Term Debt





FY2021 Key Highlights:

- Generated strong net cash flow from operations of ₹298 crore, registering a growth of 179% y-o-y. This is excluding one time income tax refund of ₹51 crore in FY2021
- In FY2021, the company incurred capex of ₹170 crore
- During the year, company repaid total debt of ₹93.3 crore and also utilized cash of ₹78.4 crore towards the Buy Back of Shares



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