SIGACHI
Experience Excellence

Sigachi Industries Limited

Earnings Presentation

Q1-FY23

Company Snapshot

Legacy of more than 3 decades in manufacturing of cellulose-based excipient

Supported by Experienced Management Team

Long standing Pan India presence & Exports to more than 40 countries

R&D Facility in Dahej is approved by DSIR and also have other 2 in-house laboratories

3 state-of-the-art manufacturing facilities situated in Hyderabad and Gujarat

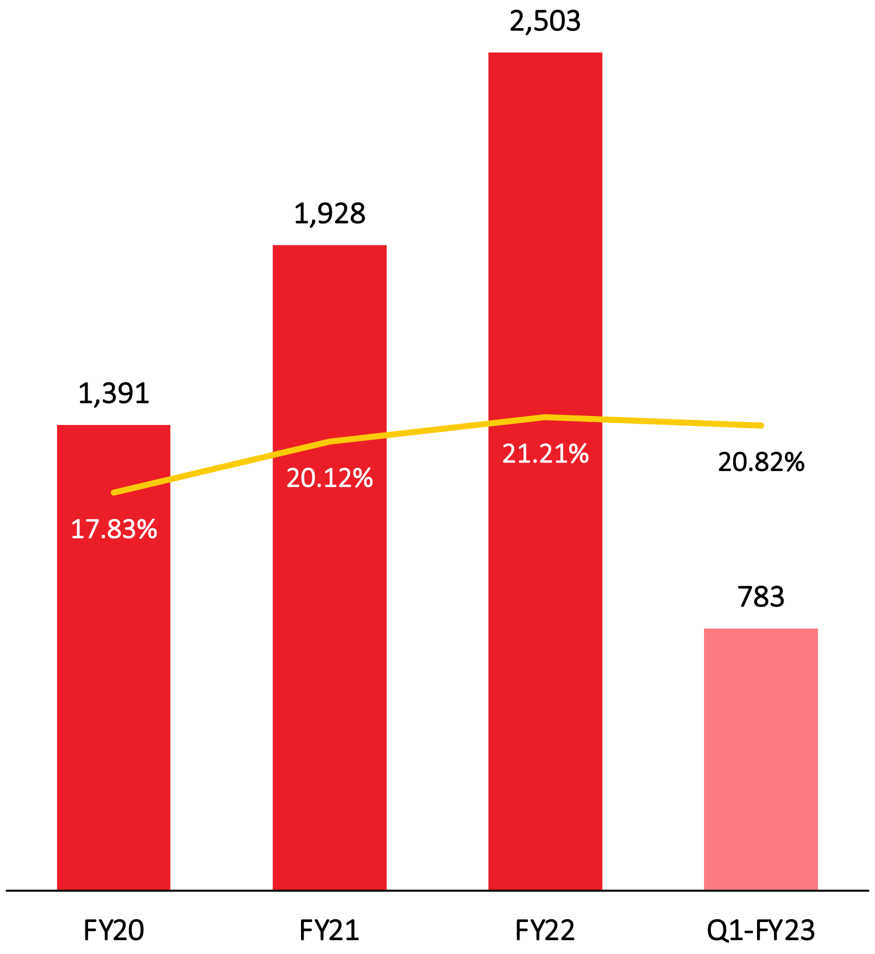
3 year CAGR

Revenue: 25%
EBITDA: 27%
PAT: 28%

Company Overview

- Sigachi Industries Limited (Sigachi), incorporated in the year 1989, is one of the leading manufacturers of Micro Crystalline Cellulose (MCC) in the world.
- Sigachi manufactures high-quality cellulose-based excipients, which predominantly find usage in the pharmaceutical, supplement and food industries.
- The company has created a niche in manufacturing highly innovative pre-formulated excipients & 60+ widely used excipients of international quality standards.
- With two facilities in Gujarat and one in Telangana, Sigachi ensures supply chain reliability for its customers in India and across the globe.
- Sigachi has a global sales and distribution network and exports to more than 40 countries across Asia, Australia, American Continent, Europe and Middle East.
- From its state-of-the-art R & D facility the company ensures continuous innovation to efficiently meet evolving customer demands.
- The company also has an agreement with Gujarat Alkalies and Chemicals Limited ("GACL") for operating and managing the manufacturing units owned by GACL and for contract manufacturing of sodium chlorate, stable bleaching powder and poly aluminum chloride.

Revenue (INR Mn) & EBITDA Margins (%)



Key Strengths

One of the leading manufacturers of MCC in India with over 30 years' experience:

- Made advancements in development of MCC and positioned as one of the key manufacturing players globally
- Technical capabilities, capable R&D Division and manufacturing infrastructure, gives a first mover advantage in India

Pan India and International market presence:

- A long-standing market presence in India and internationally
- Export products to 41 countries including Australia, USA, South America, U.K., Poland, Italy, Denmark, China, Colombia, Bangladesh, to name a few

Comprehensive product portfolio enables to serve diverse end-use applications:

- Customize the usage and application of the products to various industries including but not limited to pharmaceutical, food, nutraceuticals and cosmetics
- Manufacture MCC in various grades ranging from 15 microns to 250 microns

Presence across diverse industry verticals with long standing relationship with customers :

- Customization of products based on customer specifications and requirements
- Track record of consistent delivery of quality and cost-effective products and solutions through strategic alignment of key customers' goals over the years

Growth led by continuous investment and focus on R&D:

- Regular investments in R&D to expand the product offerings and to streamline manufacturing process
- 2 R&D Division and 2 in-house laboratories
- The laboratory in the Jhagadia R&D Division has been approved and has received an accreditation by DSIR to undertake R&D activities

Strategically located manufacturing facilities

- Set up 3 multi locational manufacturing units namely, Hyderabad, Telangana ("Unit I"), Jhagadia, Gujarat ("Unit II") and Dahej, Gujarat ("Unit III") which helps provide timely, efficient and customized delivery of the products in terms with the specific demographic needs

Financial Overview

Q1-FY23 Consolidated Highlights

Q1-FY23 Financial Highlights

INR 783 Mn Operating Income +43% YoY	**INR 163 Mn** Operating EBITDA +34% YoY	**20.82%** EBITDA Margin -140 Bps YoY
INR 128 Mn Net Profit +42% YoY	**16.35%** PAT Margins -4 Bps YoY	**INR 4.17/Share** Diluted EPS +7% YoY

Q1-FY23 Operational Highlights

- Revenue growth driven by increased demand for MCC across all industries, with volume growth of ~10% and realisation growth of ~19% on a QoQ basis.
- Export sales increased to 75.43% in Q1-FY23 as compared to 73.60% in Q1-FY22 with continuous efforts to enhance the global client base through marketing efforts and product customization.
- Focus on high margin yielding product mix with cost-effective manufacturing processes, effective management of inventory resulted in improvement of EBITDA and Profitability on a QoQ basis.
- The consumption of material reduced to 47% from 51% in Q1-FY22 due to adoption of cost effective process and favorable product mix.
- Company expects the growth trend to continue with current profitability at sustainable levels.
- Furthermore, capacities of around 7,000 MT will be added during the latter part of FY23 which will contribute to additional revenue growth in the coming financial years.
- Company is constantly thriving to improve upon its R&D capabilities and cost-effective manufacturing processes and thereby remain as a manufacturer of choice with highest quality standards.

Quarterly Consolidated Financial Performance

Particulars (INR Mn)	Q1-FY23	Q1-FY22	Y-o-Y	Q4-FY22	Q-o-Q
Operational Revenue	**783**	**549**	**42.6%**	**725**	**8.0%**
Total Expenses	620	427	45.2%	579	7.1%
EBITDA	**163**	**122**	**33.6%**	**146**	**11.6%**
EBITDA Margin (%)	***20.82%***	***22.22%***	**(140) Bps**	***20.13%***	**69 Bps**
Depreciation and amortisation	8	6	33.3%	8	NA
Finance costs	5	2	NA	5	NA
Other Income	16	2	NA	17	(5.9)%
PBT	**166**	**116**	**43.1%**	**151**	**9.9%**
Tax Expense	38	26	46.2%	35	8.6%
PAT	**128**	**90**	**42.2%**	**116**	**10.3%**
PAT Margin (%)	***16.35%***	***16.39%***	**(4) Bps**	***16.00%***	**35 Bps**
Diluted EPS	4.17	3.90	6.9%	4.49	(7.1)%

Historical Consolidated Financial Performance

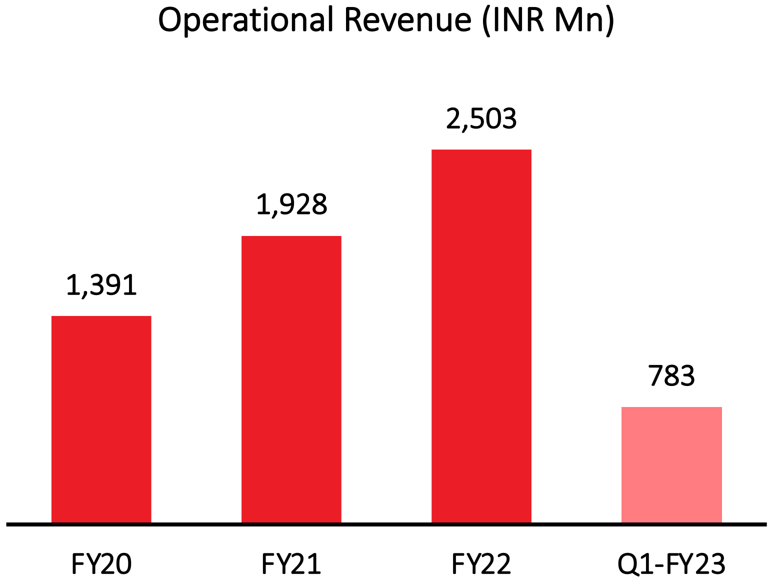
Particulars (INR Mn)	FY20	FY21	FY22	Q1-FY23
Operational Revenue	**1,391**	**1,928**	**2,503**	**783**
Total Expenses	1,143	1,540	1,972	620
EBITDA	**248**	**388**	**531**	**163**
EBITDA Margin (%)	*17.83%*	*20.12%*	*21.21%*	*20.82%*
Depreciation and amortisation	20	23	29	8
Finance costs	23	13	12	5
Other Income	48	33	26	16
PBT	**253**	**385**	**516**	**166**
Tax Expense	50	82	116	38
PAT	**203**	**303**	**400**	**128**
PAT Margin (%)	*14.59%*	*15.72%*	*15.98%*	*16.35%*
Diluted EPS	8.81	13.13	15.44	4.17

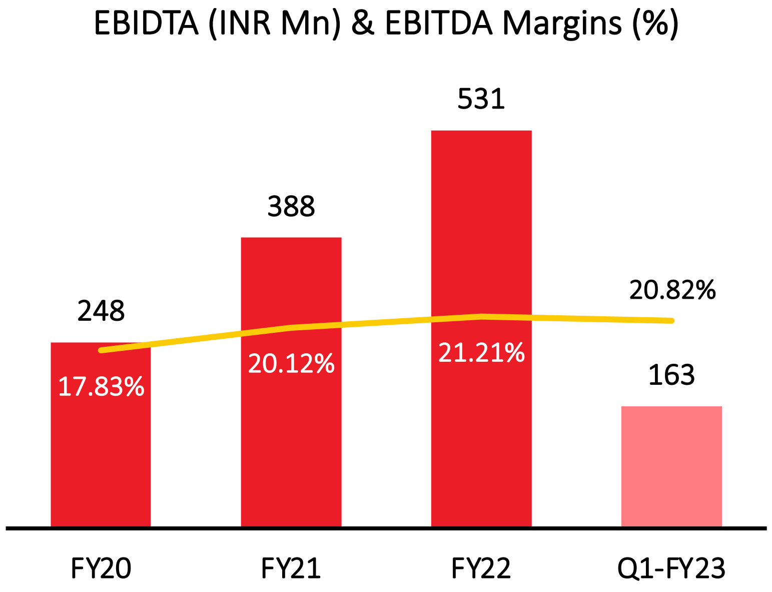
Historical Consolidated Balance Sheet

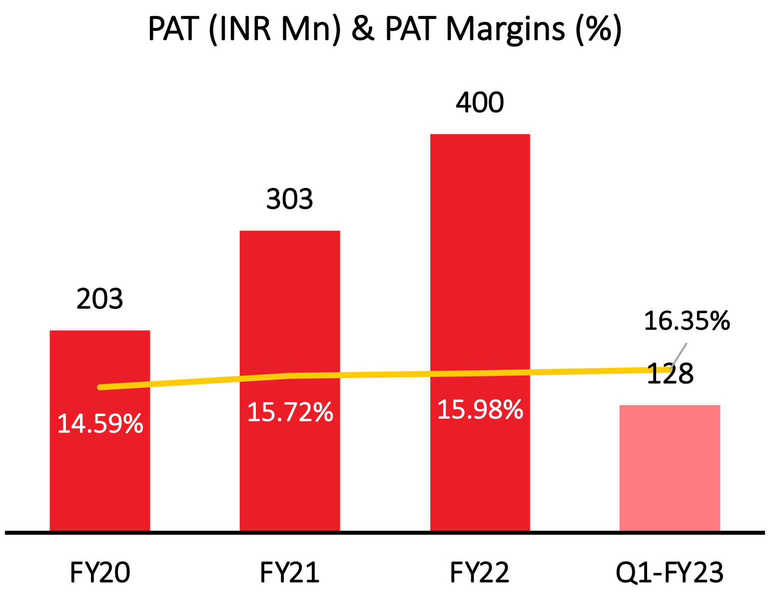
Particulars (INR Mn)	FY20	FY21	FY22
EQUITY	**646**	**942**	**2,277**
Equity Share Capital	77	77	307
Other Equity	569	865	1,970
NON-CURRENT LIABILITIES	**55**	**70**	**76**
a) Financial Liabilities			
i) Borrowings	19	19	12
b) Provisions	7	8	9
c) Deferred tax liabilities (net)	29	43	55
CURRENT LIABILITIES	**390**	**322**	**515**
a) Financial Liabilities			
i) Borrowings	270	183	332
ii) Trade Payables	72	80	106
iii) Other financial liabilities	14	7	6
b) Other current liabilities	33	43	59
c) Provisions	1	9	12
TOTAL LIABILITIES	**445**	**392**	**591**
TOTAL EQUITY AND LIABILITIES	**1,091**	**1,334**	**2,868**

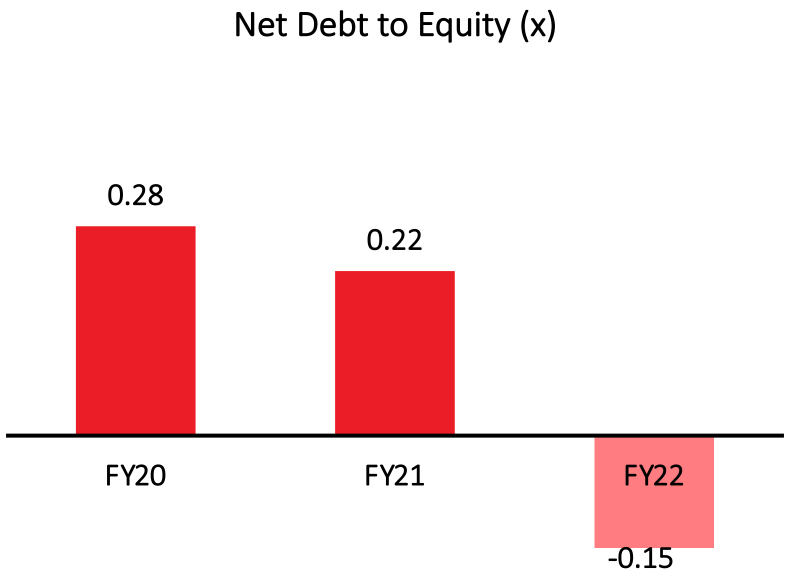
Particulars (INR Mn)	**FY20**	**FY21**	**FY22**
NON-CURRENT ASSETS	**371**	**463**	**1,069**
a) Property, plant and equipment	312	376	527
b) Capital work-in-progress	31	37	97
c) Intangible assets	4	3	7
d) Financial assets			
i) Investments	-	2	2
ii) Other Financial Assets	14	18	351
e) Other non-current assets	10	27	85
CURRENT ASSETS	**720**	**871**	**1,799**
a) Financial Assets			
i) Trade Receivables	276	358	601
ii) Cash and cash equivalents	88	159	291
iii) Bank balances other than above	18	21	403
iv) Other financial assets	46	100	128
b) Other current assets	13	21	71
c) Inventories	279	212	305
TOTAL ASSETS	**1,091**	**1,334**	**2,868**

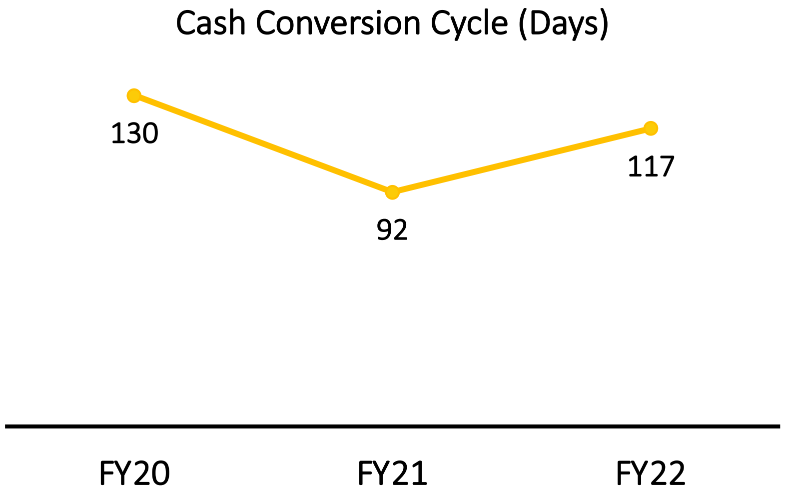
Consolidated Financial Highlights

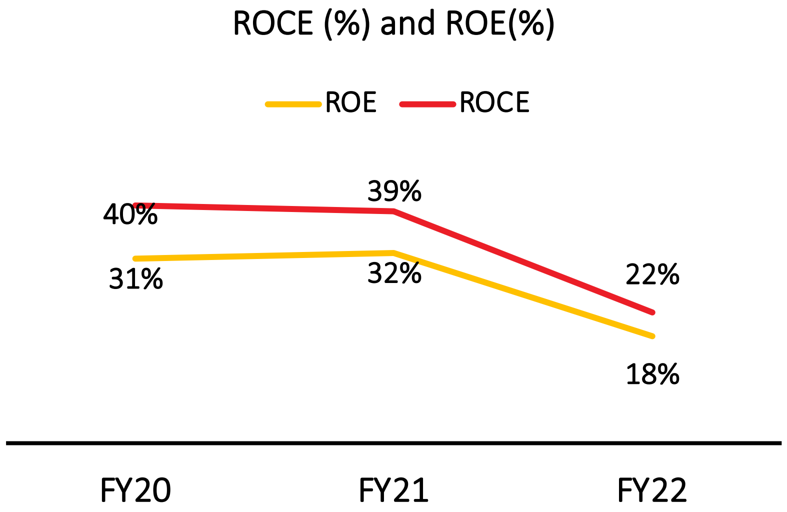






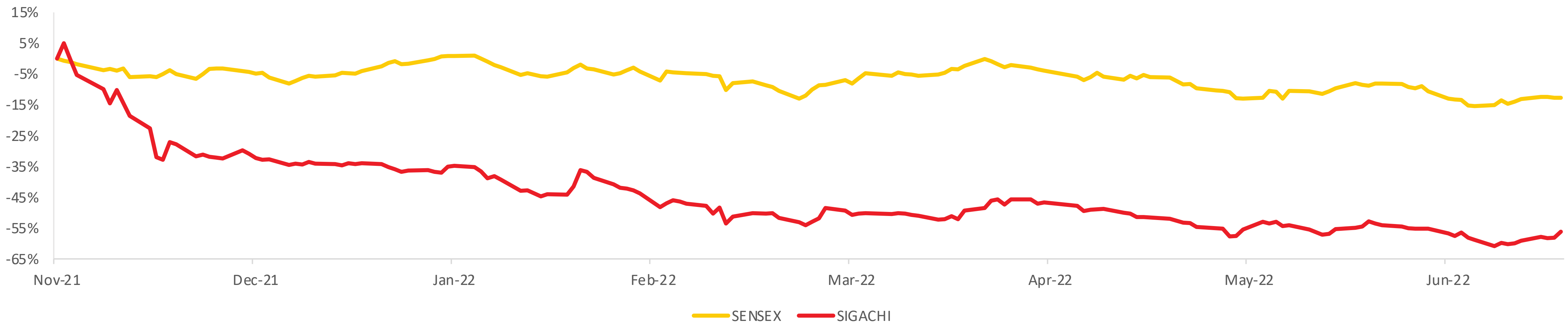






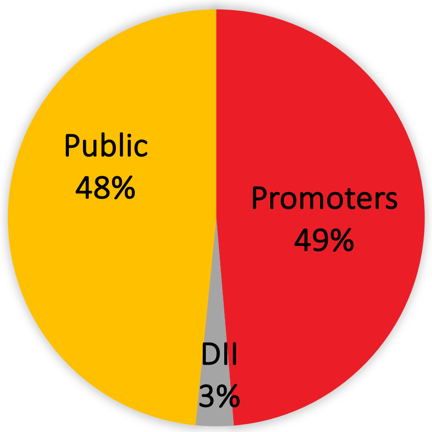
Capital Market Information

Share Price Movement (Upto 30th June, 2022)



Market Data (INR) as on 30th June, 2022	
Face Value	10.0
CMP	264.4
52 Week H/L	648.0 / 231.3
Market Cap (INR Mn)	8127
Shares O/S (Mn)	30.7
Avg. Vol. Since Listing (‘000)	301.5

Shareholding Pattern as on 30th June, 2022



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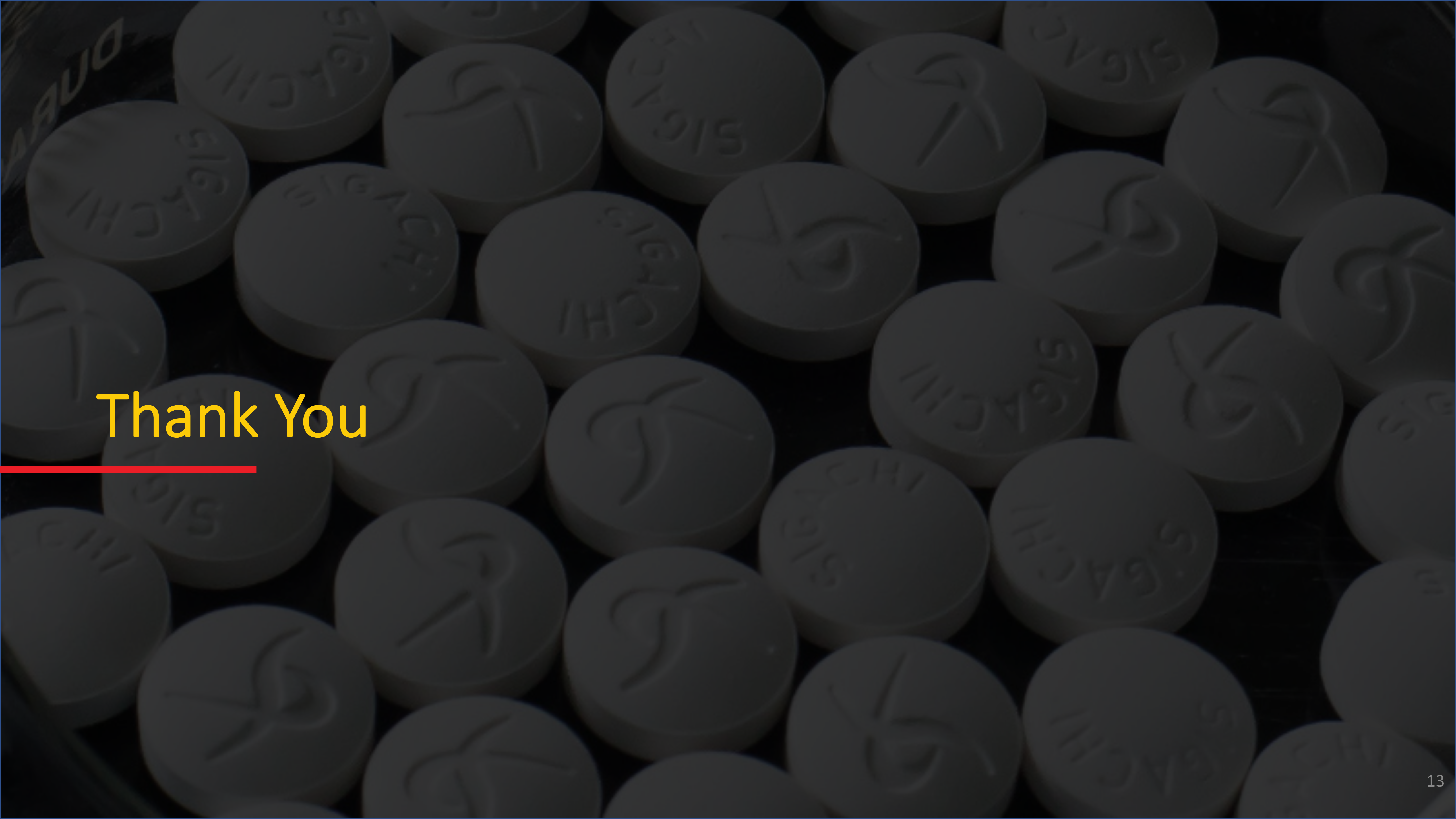
VALOREM ADVISORS

Mr. Anuj Sonpal
Valorem Advisors
Tel: +91-22-4903-9500
Email: sigachi@valoremadvisors.com



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