



SIL/BSE/2020-21/240720

Dated: 24th July, 2020

The Manager,
BSE Limited,
Department of Corporate Services,
Floor 25, P.J. Towers, Dalal Street,
Mumbai – 400 001

BSE Scrip: 526951

Trading Symbol: STYLAMIND

SUB: Investor Presentation Q1FY21

Dear Sir/ Madam,

Please find enclosed, Investor Presentation for Q1FY21.

Kindly take the same on record.

Thanking You.

For Stylam Industries Limited



CS Srishty Chaudhary

Company Secretary and Compliance Officer

Stylam Industries Limited

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Works II: Village Manak Tabra towards Raipur Rani, Mattewala Chowk, Distt. Panchkula (Haryana)

W: www.stylam.com **CIN:** L20211CH1991PLC011732 (Govt. of India recognised Star Export House)



STYLAM INDUSTRIES LIMITED

INVESTOR PRESENTATION

Q1FY21 - July 2020



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Corporate Overview



Stylam: Introduction

Stylam is a fast growing Indian laminate company having Asia's largest infrastructure and manufacturing unit producing a diverse product portfolio catering to a wide range of customer preferences.

Manufacturing laminates since 1991, building a credibility of over 29 years in the industry, Stylam has pan-India channel partners and a vast global presence across over 65 countries.

We are a pioneer in India for introducing the PU+ Lacquer Coating process thereby producing high quality, value added laminate finishes.

Apart from laminates, we have state of the art technologies and manufacturing facilities for Solid Acrylic Surfaces and Panels.

CAPITAL MARKET DETAILS

| | |
|--|---------------|
| BSE Scrip Code | 526951 |
| Bloomberg Code | SYIL IN |
| Face Value | ₹10 |
| Outstanding Shares** | 81,66,200 |
| Current Market Price (per share)* | ₹360.0 |
| Market Cap* | ₹293.25 crore |

*As on 24th July 2020, IST 17:00 **Outstanding shares post dilution due to merger stand at 84,74,030 (approval from BSE pending and to be updated accordingly)

| SHAREHOLDING (AS ON 30th June 2020) | PRE (%) | POST(%) |
|---|----------------|-----------------|
| Promoter Group | 52.7% | 54.4% |
| Institutional Investors | 15.0% | 14.4% |
| Lighthouse Funds | 12.9% | 12.4% |
| Sundaram Alternative Opportunities Fund | 2.1% | 2.0% |
| Others | 32.3% | 31.2% |

Note – Shareholding pattern as per BSE records; stake mentioned pre and post dilution (approval from BSE pending and to be updated accordingly)

Stylam: Product Portfolio (1/2)



Stylam laminates have set benchmarks in the past because of the unique design range and consistently high quality.



FASCIA brings a unique façade system, manufactured using special quality resins, thereby providing effective weather protection.



CUBOID - modular restroom and locker cubicle systems. The range has been crafted with the finest materials and highest quality of fixtures and fittings.



Granex Solid Surfaces is an extremely versatile product - tough, durable, non-porous and repairable, that can be customized to integrate seamlessly.



Marvella Solid Surfaces; the perfect recipe for an exquisite décor. These surfaces offer unseen and spellbinding patterns along with long-lasting sturdiness.



Anti-Fingerprint Laminates are used in the most demanding interior design applications. A unique technology during manufacturing ensures that finger marks are almost never visible.














GLOSSPRO+ Laminates are crafted with State-of-the-art machines having a cutting-edge German Technology. The brilliance of gloss shall stay through years without any signs of wearing out.



Anti-bacterial & Anti-fungie Laminates are intended for applications where there is a need for additional protection on the surfaces against bacteria/fungie.

Stylam: Product Portfolio (2/2)

| | | | |
|--|--|---|---|
|  <p>What makes UNICORE unique is the identical colour of the decorative surface and its core layers as well.</p> |  <p>Digital Laminates have just the features everyone has needed. A whole new world of creative and quality laminates among customized designs.</p> |   <p>Stylam Synchro Laminates have the real feel of wood and an elegant natural look while carrying all advantages of a laminate.</p> |   <p>Plus Guard Stylam Laminate provides a highly durable surface in lab conditions and has better abrasion and scratch resistance.</p> |
|  <p>Post Forming Laminates enhance the decorative property of the edges of any regular laminate by ensuring no seams around the corners and a smooth, evenly laminated surface.</p> |   <p>Magnetic Laminates have a strong magnetic effect and can be written on with chalks or special board markers. They are ideal for a wide variety of applications.</p> |  <p>Mirror laminates are considered ideal for adding flair to light duty, horizontal or vertical applications. They can be used on walls, furniture, retail fixtures, signages, exhibits and display areas.</p> |  <p>Chalkboard Laminate is the perfect solution for any space or application that demands a durable and affordable writing surface.</p> |

Manufacturing Infrastructure



Largest laminate manufacturing plant in Asia spread across 44 acres with annual capacity of 14.3 mn sheets

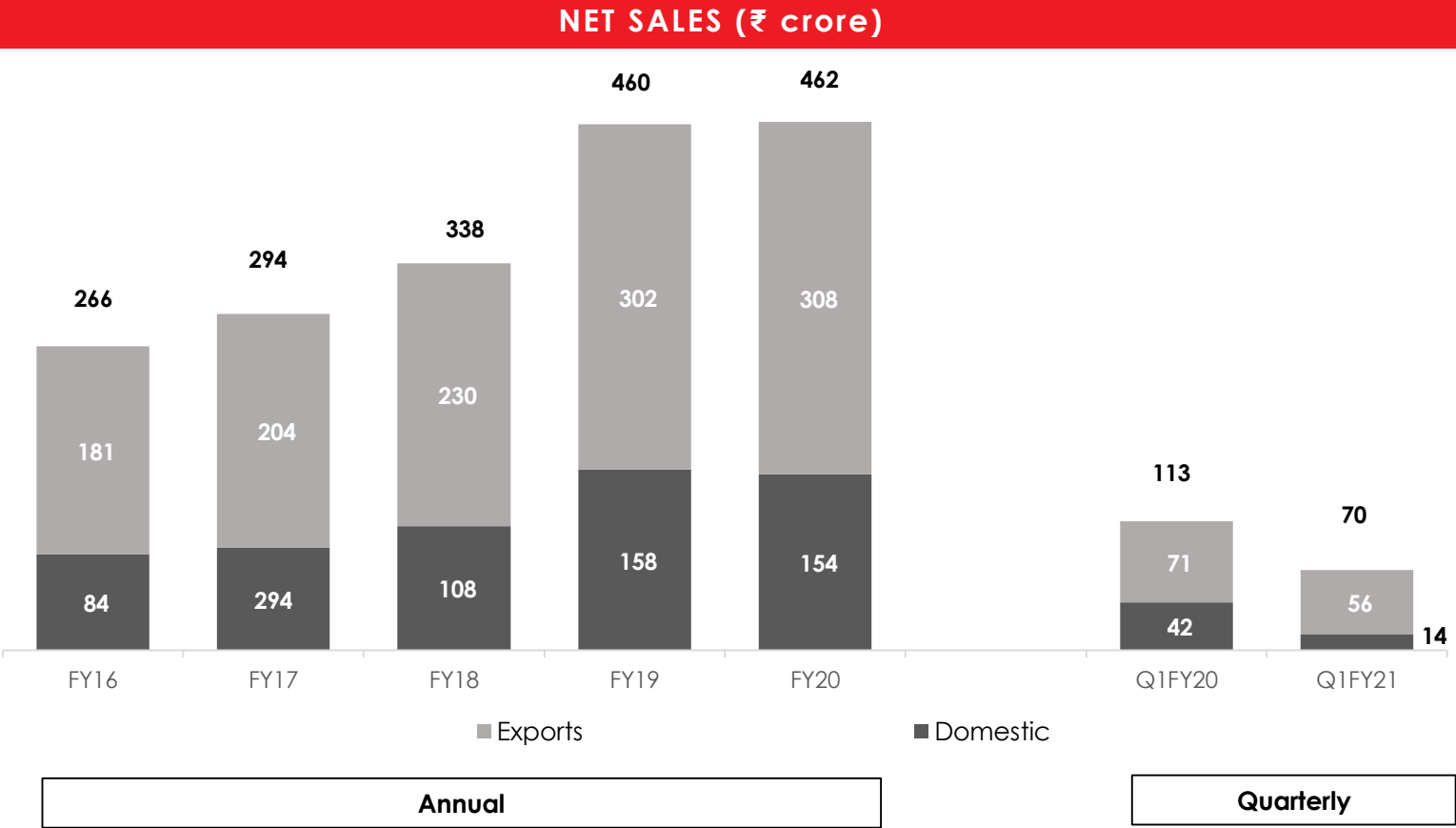
We have the largest capacity of hydraulic presses in Asia having 28 daylight openings across various sizes.

Global Pioneer for 'Hot Coating Process' of PU+ Lacquer coating on thin laminate. This one-of-a-kind Hot Coating Process machine is made with a patented technology by KLEIBERIT and BARBERAN.

Stylam Industries is a proud pioneer in India for Acrylic Solid Surfaces.

Over 1,200 employees work with a smile at Stylam.

Strong Global Presence



Domestic presence across the country;
Global presence in over 65 countries across Europe, Middle East, Asia, Africa and other geographies

Stylam Values

Mission Statement

To produce and continually develop quality products with highest possible standards. Stylam will always strive to service its customers with utmost integrity, and to their complete satisfaction. It is the company's goal to ensure its mission by continuous self improvement, growth in its operations and employees; while maintaining profitability to the benefit of its customers, employees, and community.

Value Statement

| Design | Performance | Service | Community | Sustainability |
|--|---|--|---|---|
| Stylam offers the widest selection of patterns and finishes available to match the breadth of the customers' imagination and make design unique. | Stylam uses premium materials with high-quality standards to keep the designs pristine even in the most strenuous environments. | Stylam has a large footprint with Asia's largest manufacturing facilities located at Panchkula, India & distribution centres all across globe to ensure timely delivery. | Stylam is dedicated to giving back to the communities in which it resides by supporting local and national non-profit organisations with both funding and products. | Stylam is committed to preserving the environment and enhancing the quality of life for the communities that it serves. |

Awards & Recognitions



"Over the last three decades we have strived to achieve our dream which has been a constant endeavor. We aim to improve each day and these recognitions motivate us to aim higher and perform better."

The ISO 9001:2015 certification is a hallmark of integrity, quality and reliability. The design and efficiency of the laminates have earned us the CE Marking Award.

Stylam takes pride in being recognized as:

-  *Export House by the Government of India, meeting all the quality, safety and green standard requirements while operating as a responsible corporate citizen.*
-  *Recognised by Financial Times and Statista as one of the FT 1,000 High-Growth Companies Asia-Pacific 2018.*
-  *Honored with the Power Brands Rising Star Award 2016.*
-  *Honoured by the Renewable Energy Department for commendable work in adopting energy conservation measures under the L.T. Industry Category.*

Leadership Team



Jagdish Gupta

Managing Director

Mr. Jagdish Gupta, the co-founder of the Company has been at the forefront of Stylam's growth constantly developing new business for the Company across geographies.

He has been instrumental in bringing Stylam to its strong position today and in introducing new initiatives while incorporating the best corporate governance practices and promoting the highest level of integrity and probity.

He provides overall guidance, direction and strategy to the Company while also looking after international markets for the Company.



Manit Gupta

Director

Mr. Manit Gupta is a chemical engineer and an MBA.

He heads the international marketing division and looks after other commercial management aspects of the Company.



Manav Gupta

Director

Mr. Manav Gupta is a computer engineer, and an MBA.

He heads domestic marketing and sales at Stylam and looks after general administration and raw material sourcing.



Sanjeev Vaid

Chief Financial Officer

Mr. Vaid is a Chartered Accountant with a wide and in-depth exposure within the manufacturing and finance industry.

He is responsible for the financial management at Stylam since eight years.



Sachin Bhatla

Director Technical

Mr. Bhatla is an engineer by qualification with a rich experience across various technical roles and operations.

He looks after the technical advancement of Stylam.

Financial Updates



Profit and Loss Statement

| PARTICULARS | CONSOLIDATED (QUARTER) | | | CONSOLIDATED (YTD) | | CONSOLIDATED (YEAR) |
|-------------------------------|------------------------|--------|--------|--------------------|-------|---------------------|
| | Q1FY21 | Q4FY20 | Q1FY20 | FY21 | FY20 | FY20 |
| (₹ crore) | | | | | | |
| Net Revenue | 70.3 | 105.1 | 112.8 | 70.3 | 112.8 | 462.1 |
| Material Consumption | 37.2 | 53.7 | 64 .0 | 37.2 | 64 .0 | 249 .1 |
| Contribution | 33.1 | 51 .4 | 48.8 | 33.1 | 48.8 | 213 .1 |
| Contribution Margin (%) | 47.1 | 48.9 | 43.3 | 47.1 | 43.3 | 46.1 |
| Employee Expenses | 6.3 | 10 .3 | 7.9 | 6.3 | 7.9 | 37.5 |
| Other Expenses | 12.2 | 22.6 | 22.3 | 12.2 | 22.3 | 95.9 |
| EBITDA | 14.6 | 18.6 | 18.6 | 14.6 | 18.6 | 79.6 |
| EBITDA Margin (%) | 20.7 | 17.7 | 16.5 | 20.7 | 16.5 | 17.2 |
| Other Income | 0 | 0.5 | 0.1 | 0 | 0.1 | 1.0 |
| Finance Costs | 1.8 | 2.6 | 2.5 | 1.8 | 2.5 | 10.9 |
| Depreciation and Amortization | 5.3 | 6 .0 | 4 .1 | 5.3 | 4 .1 | 21.0 |
| Less: Exceptional Items | - | 14.7* | - | - | - | 15.2* |
| PBT | 7.5 | (4.8) | 12 .1 | 7.5 | 12 .1 | 33 .5 |
| PBT Margin (%) | 10.6 | (4.5) | 10.7 | 10.6 | 10.7 | 7.3 |
| Tax Expense | 1.9 | 4.5 | 4 .1 | 1.9 | 4 .1 | 14.6 |
| PAT | 5.6 | (9.2) | 8 .0 | 5.6 | 8 .0 | 18.9 |
| PAT Margin (%) | 8.0 | (8.7) | 7.1 | 8.0 | 7.1 | 4.1 |

*Note: Investment in Property that was held for sale at INR 49 crores on books has been sold in Q4FY20 for INR 34 crores. Exceptional item reflects the loss on sale of property of INR 15 crores

Financial Performance

Performance Commentary:

- Net operational revenue (excl. other income) for the quarter de-grew 37.7% YoY and 33.1% QoQ. The weakness was primarily attributable to novel Coronavirus
- With onset of the current quarter, considering the impact of the infamous COVID-19, management estimated EBITDA margin approximately at 15.0%. However, as a result of cost effective measures adopted by the Company to stimulate its business during pandemic, EBITDA margin has improved to 20.7% as against 17.7%, reported for the Quarter ended on 31st March, 2020. EBITDA margin was 16.5% as on quarter ended 30th June 2019.
- Due to lower tax base, PAT has improved to 8.0% from -8.7% on QoQ basis.
- June 2020 witnessed a revival despite covid and sales were approximately 60% of June 2019 sales.
- Considering the current scenario, management expects revival in sales and is hopeful for growth as well despite challenges across the globe.

Impact of Covid-19

- The outbreak of unprecedented COVID-19 pandemic has worsened the overall economic conditions and caused a significant disturbance and slowdown of economic activities globally.
- The nationwide lockdown ordered by the Government of India also resulted in significant reduction in economic activities throughout the nation and therefore a discernible adverse effect of the same was witnessed on the business operations (in terms of production as well as sales) of the Company.

Business operations came to a standstill in the month of April 2020 due to absolute closure of both the plants. However, Company continued to brainstorm ideas to revive the business, as a result of which, at the onset of the month of May 2020 business showed signs of re-growth. Still the adverse effect of the lockdown is evident in our domestic sales as well as exports due to restriction being imposed in the affected areas and countries.

- The moratorium offered by banks (as per RBI directive) due to nationwide lockdown was not availed by the Company
- Stylam's liquidity position remains steady despite discontinuation in operations on account of the lockdown. The business seems to be witnessing a steady revival now.
- In order to combat the prejudicial impact of Covid-19, our focus mainly revolves around reviving and boosting sales while simultaneously continuing to implement cost control measures, the results of which are expected to be witnessed in the near future.

Business Updates



Business Transformation; Phase I Done...

| (₹ CRORE) | FY15 | FY20 |
|------------------------|-------|-------|
| Revenue | 214 | 462 |
| EBITDA | 23 | 80 |
| EBITDA (%) | 10.5% | 17.2% |
| PAT | 9 | 19 |
| PAT (%) | 4.4% | 4.1% |
| Net Worth | 44 | 204 |
| Total Net Debt | 80 | 112 |
| Net Debt to Equity (x) | 1.8x | 0.6x |
| Gross Block | 79 | 206 |

A fulfilling five years of building foundation and creating growth

- Over the last five years, we have focussed on building a strong foundation, sustainable growth, upgrading our manufacturing capacities, building a strong team as well as improving our sales and marketing networks
- There has been a transformation in our product mix to substantially enhance our share of value added products in the mix, which reflects in our improving margins
- We have set up a world-class manufacturing facility to support our expanding product offerings. A few are as below:
 - High gloss and anti-fingerprint laminates,
 - Solid acrylic surfaces and panels (artificial soft marble)
- Deleveraging the Balance Sheet on the back of:
 - On-boarding an institutional investor (INR 51 crore)
 - Divestment of non-core real estate asset (INR 34 crore)
- We have completed the merger of Golden Chem-Tech Limited during the year (3.8% dilution*, advanced stage of completion)

**Note: Dilution information to be approved and updated with BSE*

Business Transformation; Phase II Begun...



Focus on value added business providing customer delight

- Expansion of our manufacturing capacities to over 14 mn sheets per annum, having the capability to double our revenues over the next few years
- Strong and continued focus on value added products
- Introducing Pre-Lam Boards in both Anti-Finger and High Gloss finishes through a hot coating process (only company globally to carry out this process on thin laminates)
- Introduction of Solid Surface Panels to be made in the First Ever Organized European Plant of India
- Focusing on expanding horizons with products such as large size panels across the Cuboid range
- Conscious focus to retire the entire debt by using cash flows and becoming a debt free Company

“We at Stylam continue to focus on our Research & Development led approach to bring technologically advanced, value-added products to the market, delighting all our customers in India and abroad”

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Thank You

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