



SIL/BSE/2020-21/300620

Dated: 30<sup>th</sup> June, 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 Q4FY20

Dear Sir/ Madam,  
Please find enclosed Investor Presentation for Q4FY20.

Kindly take the same on record.

Thanking You.

For Stylam Industries Limited

SCO-14  
Sector-7C  
Madhya Marg

CS Srishty Chaudhary

Company Secretary and Compliance Officer

## Stylam Industries Limited

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



# STYLAM INDUSTRIES LIMITED

INVESTOR PRESENTATION

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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

<b>BSE Scrip Code</b>	526951
<b>Bloomberg Code</b>	SYIL IN
<b>Face Value</b>	₹10
<b>Outstanding Shares**</b>	81,66,200
<b>Current Market Price (per share)*</b>	₹349.9
<b>Market Cap*</b>	₹285.7 crore

*\*As on 26<sup>th</sup> June 2020; \*\*Outstanding shares post dilution due to merger stand at 84,74,030 (approval from BSE pending and to be updated accordingly)*

## SHAREHOLDING (AS ON 31<sup>ST</sup> MARCH 2020)

	PRE (%)	POST (%)
<b>Promoter Group</b>	<b>52.7%</b>	<b>54.4%</b>
<b>Institutional Investors</b>	<b>15.0%</b>	<b>14.4%</b>
<i>Lighthouse Funds</i>	<b>12.9%</b>	<b>12.4%</b>
<i>Sundaram Alternative Opportunities Fund</i>	<b>2.1%</b>	<b>2.0%</b>
<b>Others</b>	<b>32.3%</b>	<b>31.2%</b>

*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**



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><b>UNICORE</b> LAMINATES</p> <p>What makes UNICORE unique is the identical colour of the decorative surface and its core layers as well.</p>	<p><b>DiGi</b>delight DIGITAL LAMINATES</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><b>SYNCHRO</b> LAMINATES</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><b>CHEMICAL RESISTANT LAMINATES</b></p>  <p>Plus Guard Stylam Laminate provides a highly durable surface in lab conditions and has better abrasion and scratch resistance.</p>
<p><b>POST FORMING</b> LAMINATES</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><b>MAGNETIC</b> LAMINATES</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><b>MIRROR SHIELD LAMINATE</b></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><b>CHALK BOARDS &amp; MARKER BOARDS</b></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 upgraded from 11 mn sheets p.a. to 14.3 mn sheets p.a.

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.

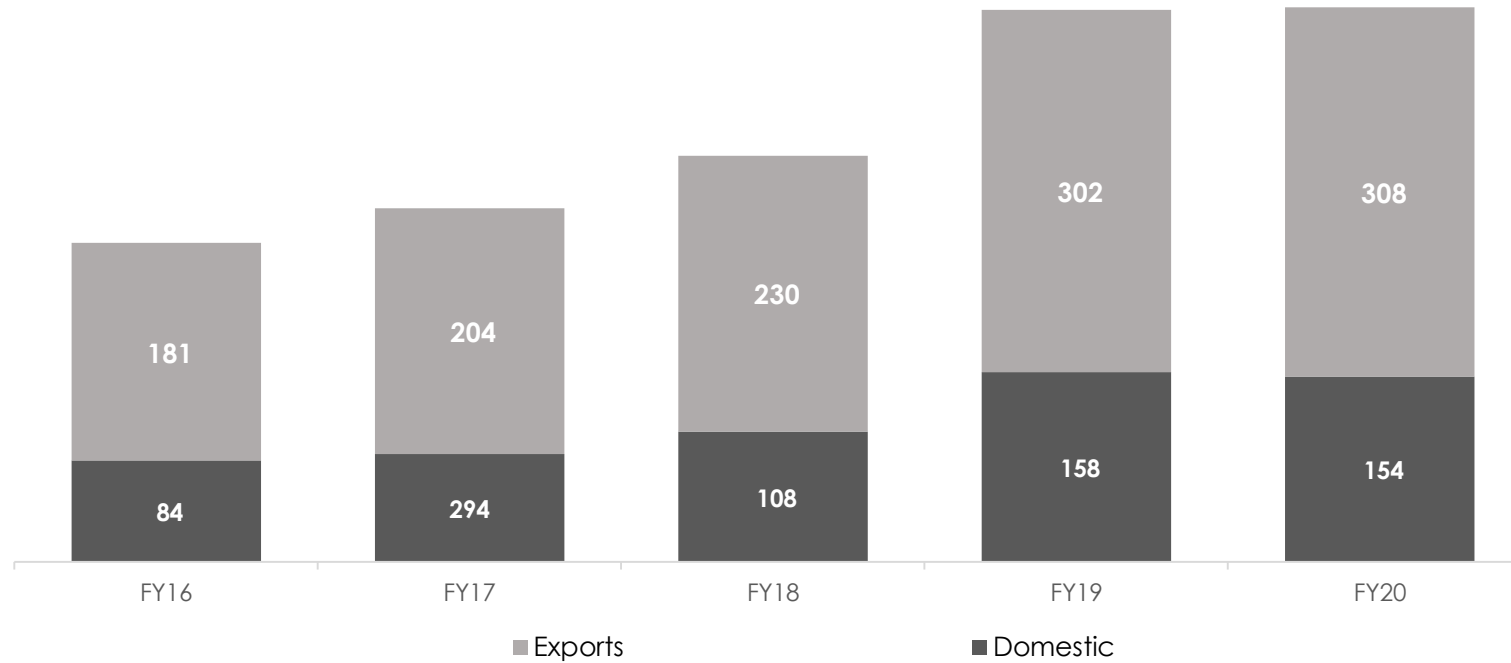
Stylam Industries is a proud pioneer in India for Acrylic Solid Surfaces.

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



# Strong Global Presence

NET SALES (₹ crore)



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 (₹ crore)	CONSOLIDATED			CONSOLIDATED	
	Q4FY20	Q3FY20	Q4FY19	FY20	FY19
<b>Net Revenue</b>	<b>105</b>	<b>127</b>	<b>125</b>	<b>462</b>	<b>461</b>
Material Consumption	54	67	65	249	260
<b>Contribution</b>	<b>51</b>	<b>60</b>	<b>60</b>	<b>213</b>	<b>201</b>
<b>Contribution Margin (%)</b>	<b>48.9</b>	<b>46.9</b>	<b>47.9</b>	<b>46.1</b>	<b>43.6</b>
Employee Expenses	10	10	9	38	30
Other Expenses	23	27	30	96	90
<b>EBITDA</b>	<b>19</b>	<b>22</b>	<b>21</b>	<b>80</b>	<b>80</b>
<b>EBITDA Margin (%)</b>	<b>17.6</b>	<b>17.7</b>	<b>16.9</b>	<b>17.2</b>	<b>17.3</b>
Other Income	0	0	1	1	2
Finance Costs	3	4	3	11	11
Depreciation and Amortization	6	7	6	21	18
Less: Exceptional Items	15*	-	-	15*	-
<b>PBT</b>	<b>(5)</b>	<b>12</b>	<b>12</b>	<b>33</b>	<b>52</b>
<b>PBT Margin (%)</b>	<b>(4.5)</b>	<b>9.7</b>	<b>10.0</b>	<b>7.3</b>	<b>11.3</b>
Tax Expense	4	3	5	15	13
<b>PAT</b>	<b>(9)</b>	<b>9</b>	<b>7</b>	<b>19</b>	<b>39</b>
<b>PAT Margin (%)</b>	<b>(8.7)</b>	<b>7.3</b>	<b>5.6</b>	<b>4.1</b>	<b>8.4</b>

\*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

# Balance Sheet

(₹ CRORE)	CONSOLIDATED		(₹ CRORE)	CONSOLIDATED	
ASSETS	FY20	FY19	LIABILITIES	FY20	FY19
Fixed assets	195	184	Equity share capital	8	8
Capital work in progress	11	13	Other equity	196	177
Investment in property	-	49	<b>Net Worth</b>	<b>204</b>	<b>185</b>
Other non-current assets	4	19	Long term borrowings*	60	117
<b>Total non-current assets</b>	<b>210</b>	<b>265</b>	Short term borrowings	59	72
Inventory	67	66	<b>Total Debt</b>	<b>119</b>	<b>189</b>
Trade receivables	87	79	Trade payables	36	27
Cash and bank	6	2	Other current liabilities	15	15
Other current assets	24	26	Other non- current liabilities	21	22
<b>Total current assets</b>	<b>185</b>	<b>173</b>	<b>Total liabilities</b>	<b>72</b>	<b>64</b>
<b>Total assets</b>	<b>395</b>	<b>438</b>	<b>Total equity and liabilities</b>	<b>395</b>	<b>438</b>

\*Note: Includes current maturities on Long Term Borrowings

# Key Ratios

PARTICULARS	ANNUAL				
	FY20	FY19	FY18	FY17	FY16
Net Sales (₹ crore)	<b>462</b>	<b>460</b>	<b>338</b>	<b>294</b>	<b>249</b>
EBITDA Margin (%)	17.2	17.3	15.3	15.9	12.1
PAT Margin (%)	4.1	8.4	5.9	6.7	4.9
Net Debt/Equity (x)	0.6	1.0	1.1	2.2	2.0
Asset Turnover (x)	1.7	2.1	1.6	1.3	2.6
RoE (%)	9.7	23.4	18.0	29.6	23.3
RoCE (%)*	12.1	14.3	9.2	17.1	31.4
RoA (%)	4.8	3.0	3.8	3.2	6.3
<b>Adj. RoE (%)</b>	<b>17.4</b>	<b>23.4</b>	<b>18.0</b>	<b>29.6</b>	<b>23.3</b>
<b>Adj. RoCE (%)*</b>	<b>12.1</b>	<b>14.3</b>	<b>9.2</b>	<b>17.1</b>	<b>31.4</b>
<b>Adj. RoA (%)</b>	<b>4.8</b>	<b>3.0</b>	<b>3.8</b>	<b>3.2</b>	<b>6.3</b>

Note: Adj. Ratios for FY20 have been adjusted for the impacted due to the exceptional loss on account of sale of non-core real estate asset; \*RoCE is computed post tax



# Financial Performance

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## Performance Commentary:

- Net operational revenue (excl. other income) for the quarter de-grew 16.2% YoY and 17.2% QoQ while FY20 remained flat YoY. The weakness was primarily attributable to:
  - Weakness in growth for the quarter is attributable to the novel Coronavirus
  - Weakness in overall growth for the year was on the back of a general slowdown internationally as well as domestically
- Contribution margin improved 200 bps from 43.6% in FY19 to 46.1% in FY20.
- EBITDA margins remained stable for FY20 at 17.2% despite various challenges in the industry and country.
- During the quarter, Stylam completed the sale of its non-core real estate asset for INR 34 crores and used the proceeds to pair down debt accordingly. The total debt as on 31<sup>st</sup> March 2020 stands at INR 118 crores with a cash balance of INR 6 crores.
- The net worth of the company as on 31<sup>st</sup> March 2020 stands at INR 204 crore resulting in a net debt to equity ratio of 0.6x.

# **Impact of Covid-19**

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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.

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 taking cost effective measures. The result of these efforts would 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”***

# Safe Harbor Statement

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# Thank You

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