

SIRCA PAINTS INDIA LIMITED

(Formerly known as Sircolor Wood Coatings Pvt. Ltd.)

📍 **Regd. office** : Plot No-50, Badli Industrial Area, Phase-2, New Delhi-110042

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✉ info@sircapaints.com 🌐 www.sircapaints.com

CIN NO : L24219DL2006PLC145092



February 04th, 2020

TO,
LISTING DEPARTMENT
NATIONAL STOCK EXCHANGE OF INDIA LTD.
EXCHANGE PLAZA , 5TH FLOOR, PLOT NO. C/1
G-BLOCK, BANDRA-KURLA COMPLEX, BANDRA (E)
MUMBAI – 400051.

SUB: SUBMISSION OF INVESTOR PRESENTATION
SYMBOL-SIRCA

Dear Sir/Ma'am,

Pursuant to **Regulation 30 of the SEBI (Listing Obligations & Disclosures Requirements) Regulation, 2015**, please find enclosed herewith Earning Presentation of **Q3 FY20 of the Company**.

This is for your information and record.

Thanking You,

Your Faithfully,

SIRCA PAINTS INDIA LIMITED

(Formerly Known as Sircolor Woods Coating Pvt. Ltd.)

(Formerly known as Sircolor Wood Coatings Pvt. Ltd.)

Company Secretary

Chahat Mahajan

Company Secretary & Compliance Officer

Membership Number: 51255

Place: Delhi

Encl: As above



SIRCA PAINTS INDIA LIMITED

Q3 FY20
Earning Presentation

NSE: SIRCA | Bloomberg: SIRCA:IN | CIN: L24219DL2006PLC145092 →



Q3FY20 Result Discussion

Profit & Loss Summary

Q3FY20 Result

(In Crores)

Particulars	Q3FY20	Q2FY20	Q3FY19	Y-O-Y%
Revenue from Operations	33.47	37.58	26.27	27.4%
Total Income	34.29	40.05	28.40	20.7%
Total Operating Expenses	24.68	26.49	19.08	29.3%
EBITDA (Excluding OI and EI*)	8.78	11.09	7.19	22.2%
EBITDA (Excluding OI and EI*) %	26.3%	29.5%	27.4%	110BPS
Interest Cost	0.02	0.01	0.03	-21.2%
Depreciation & Ammortisation	0.64	0.33	0.27	138.0%
Profit Before Taxes	8.93	13.21	9.00	-0.9%
Profit After Taxes	6.64	9.76	6.32	5.1%
EPS	2.42	3.56	2.31	4.8%

27.4% ▲

Q3FY20 Revenue from Operations at 33.47 Crores as compared to 26.27 Crores in Q3FY19

22.1% ▲

Q3FY20 EBITDA at 8.78 Crores as compared to 7.19 Crores in Q3FY19

110 BPS ▼

Q3FY20 EBITDA margins at 26.3%, down 11 BPS as compared to 27.4% in Q3FY19

5.1% ▲

Q3FY20 PAT at 6.64 Crores as compared to 6.32 Crores in Q3FY19

*OI- Other Income, EI - Exceptional Item

Management Commentary

Business Update

a) Strengthened Physical Infrastructure

Major thrust on creating the necessary physical infrastructure to support growth across India. Stock depots, stockists, studios and branch offices being created across the country. **Additional stock depots were set up in Kolkata and Kerela.**

b) New Branch Offices

Launched **new branch offices, in Q3FY20, in Kolkata and Kerela.** Earlier in Q2FY20, the company had also set up a branch office in Mohali, Punjab.

c) Sales Team Expansion

The company continued to invest in its sales force in anticipation of good growth in operations for the foreseeable future. **28 additional team members were hired in Q3FY20,** the total headcount for the sales and marketing team has reached 143.

d) Sirca Studio

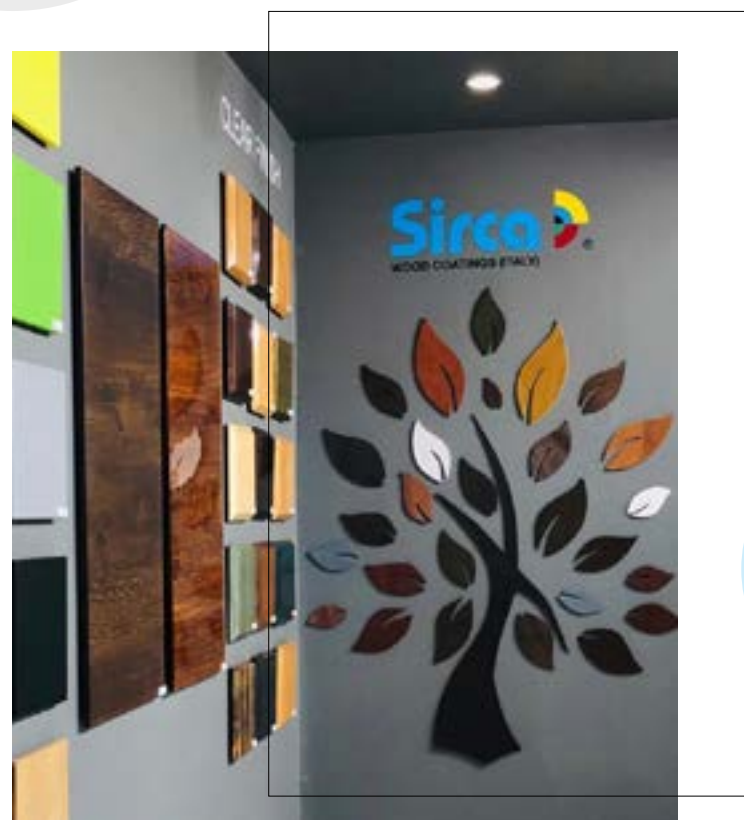
The company has been constantly focusing on increasing its brand awareness through Sirca Studios, which are retail studios displaying the applications and merits of our products. The company has **launched an additional studio in Dehradun in Q3FY20,** post which there are **total 14 Sirca studios across the country**

e) Dealer Network

In the last 9 months, the company has increased its dealer network exponentially. From close to 555 dealers at the end of FY19 to 1477 as on date.

Media Recognition

- In January 2020, the company was mentioned in 'India's Growth Champions 2020 ranks: India's fastest growing companies' by 'The Economic Times' wherein Sirca Paints India Limited was the only company to be mentioned from the paints industry.



Q3FY20 Result Discussion

- The company has recorded a healthy growth in revenue from operations in Q3FY20, which becomes even more remarkable given the current context and adverse macroeconomic conditions of the domestic economy.
- Supported by strong volume growth in Q3FY20, the company has recorded a 27.4% increase in the revenue from operations in Q3FY20 over Q3FY19.
- Additionally, the company has reported volume growth of 57.77% in Q3FY20 over Q3FY19. Increase in the volume has been proportionately higher than the increase in value due to a change in product mix. Newer product ranges in 'PU Coatings' and 'Wall Paints' category, which have a lower price realization per unit, have led to this disparity.
- Core EBITDA% (excluding OI & EI) for Q3FY20 stood at 26.3%, as compared to 27.4% in Q3FY19.
- Other Income has been significantly lower due to the following reasons a) FOREX loss of 0.25 Cr in Q3FY20 as compared to FOREX profit of 0.74 Cr in Q3FY19 and b) Due to lower interest income, as the company continues to deploy cash reserves in business activities and to ramp-up production.

Promotional Activity



Events participated:
PITEX in Amritsar
FIFEX in Kochi
IDAC in Pune



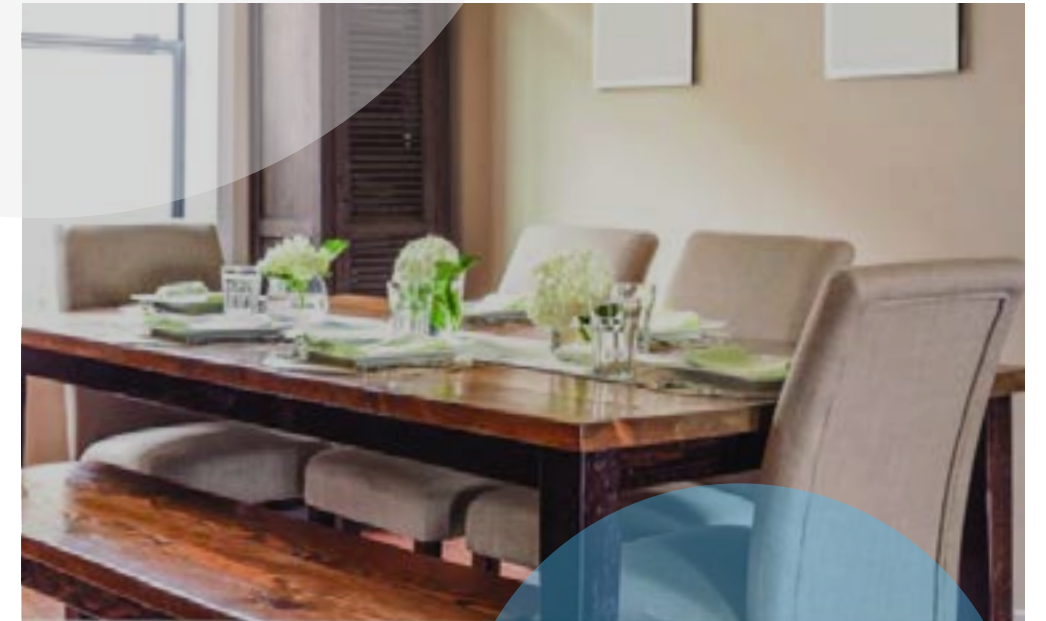
Advertisement in movie theaters



Company Overview

About Us

- **Incorporated** by Mr. Sanjay Agarwal and Mr. Gurjit Singh Bains in **2006** as 'Sircolor Wood Coatings Private Limited'.
- We **deal prominently** in premium wood, glass, metal coating products under the brand name 'Sirca'.
- We have an **exclusive tie-up with Sirca S.p.A (Italy)** for distributing and manufacturing rights of Sirca products for India, Nepal, Bangladesh and Sri Lanka.
- With our **newly commissioned manufacturing facility**, we will also start dealing in Melamine, NC and economical PUs which make up majority of the volumes in India.



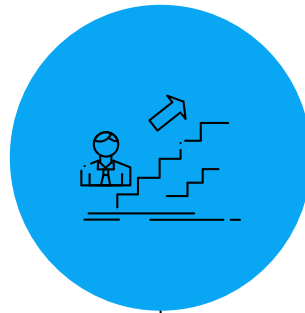
Company Snapshot



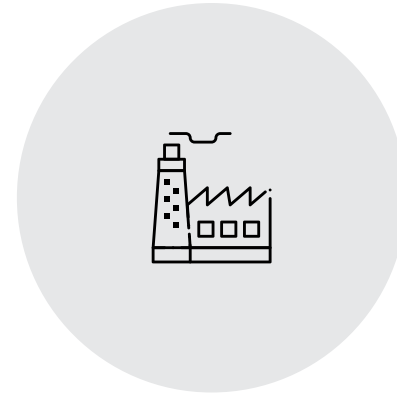
Among the leading premium wood coatings player in India



Exclusive tie-up with Sirca S.p.A Italy for Bangladesh, Nepal, Sri Lanka and India



Market leader in North India



2 Manufacturing Facilities



OEM vs Retail Revenue Mix – 30% Vs. 70%



Number of dealers – 1477*



Team Size – 310*



Virtually Debt-Free

*as on date

Product Portfolio

Entire range of product portfolio available to our channel partners

1. Wood Coatings

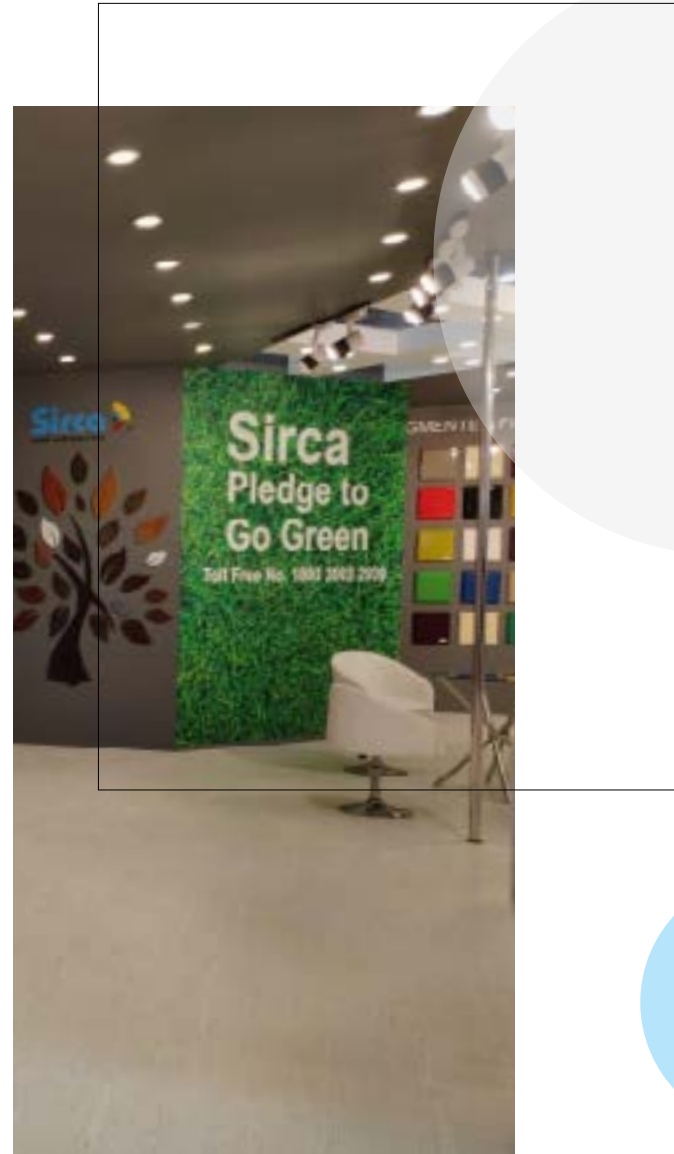
- Wood Stains
- Polyurethane Polish (PU)
- Polyester (Lamination)
- Acrylic Finishes
- UV Products
- Wood fillers
- Wood Care Products
- Hand Made Effects
- Special Effects

2. Metal Coatings

- Clear Coating
- Pigmented Coatings

3. Glass Coatings

- Pigmented Finish
- Special Effects



New Additions through Manufacturing Facilities

- Melamine
- Economical PU
- NC Products
- Thinners
- Wall Paints



Customer Segments

OEMs

- 30% revenue contribution.
- **Key clientele** includes: Godrej, Jindal Stainless, Indoline, Space Wood, Pyramid, MAS Furniture, Alsorg, Soundarya Decorators etc.
- **Growth strategy:**
 1. Dealing in **Premium products**.
 2. Providing **technical support** and **after sales services** to OEMs.



Retail

- 70% revenue contribution.
- Strong dealer network of **1477 dealers**.
- **Growth strategy:**
 1. Chain of studios being opened across India, currently **14 studios** are operational.
 2. Providing a **wider and self-sufficient product portfolio** to strengthen distribution network.

Capex

- The company has recently, in November'2019, commissioned a manufacturing facility for NC, Melamine, Economical PU products and PU thinner at Rai, Sonipat (NCR).
- This unit has been established with a total CAPEX of ~33.20 Crores, as a primary 'object of issue' of our initial public offer in 2018.
- This unit has a production capacity of 8000 Tonne for NC, Melamine and Economical PU products and 4000 Tonne for PU thinner and above in further years.
- This facility will employ approximately 50 people to handle its operations. At peak capacity utilization this manufacturing facility has a capacity to generate ~225 Crores in revenue with an optimal product-mix.
- **The company expects the Sonipat facility to contribute meaningfully from Q4 onwards.**
- During the H1FY20 the company has also successfully commissioned it's wall paint manufacturing unit with an annual capacity 24 Lac Liter.





Financial Summary

Profit & Loss Statement



(In Crores)

Particulars	2015	2016	2017	2018	2019
Revenue from Operations	65.25	70.54	82.51	89.22	125.34
Total Income	69.76	72.66	84.34	93.57	131.46
Total Operating Expenses	59.66	60.91	62.30	63.26	93.81
EBITDA (Excluding OI)	5.59	9.63	20.21	25.96	31.53
EBITDA (Excluding OI) %	8.6%	13.7%	24.5%	29.1%	25.2%
Interest Cost	0.19	0.10	0.10	0.18	0.11
Depreciation & Ammortisation	0.45	0.51	0.39	0.59	0.93
Profit Before Taxes	9.46	11.13	21.55	29.54	31.97
Profit After Taxes	6.17	7.27	13.70	19.38	22.23

* Figures up till FY19 are not as per IND AS

Financial Summary

Balance Sheet

(In Crores)

Particulars	2015	2016	2017	2018	2019
Shareholders Fund	13.14	20.42	34.12	67.63	167.78
Non Current Liabilities	0.43	0.23	0.02	0.33	0.63
Current Liabilities	19.82	24.41	27.14	26.57	32.29
Total	33.41	45.07	61.31	94.56	200.72
Non Current Assets	4.29	4.94	9.94	22.43	37.58
Current Assets	29.11	40.13	51.33	72.11	163.13
Total	33.41	45.07	61.31	94.56	200.72

* Figures up till FY19 are not as per IND AS

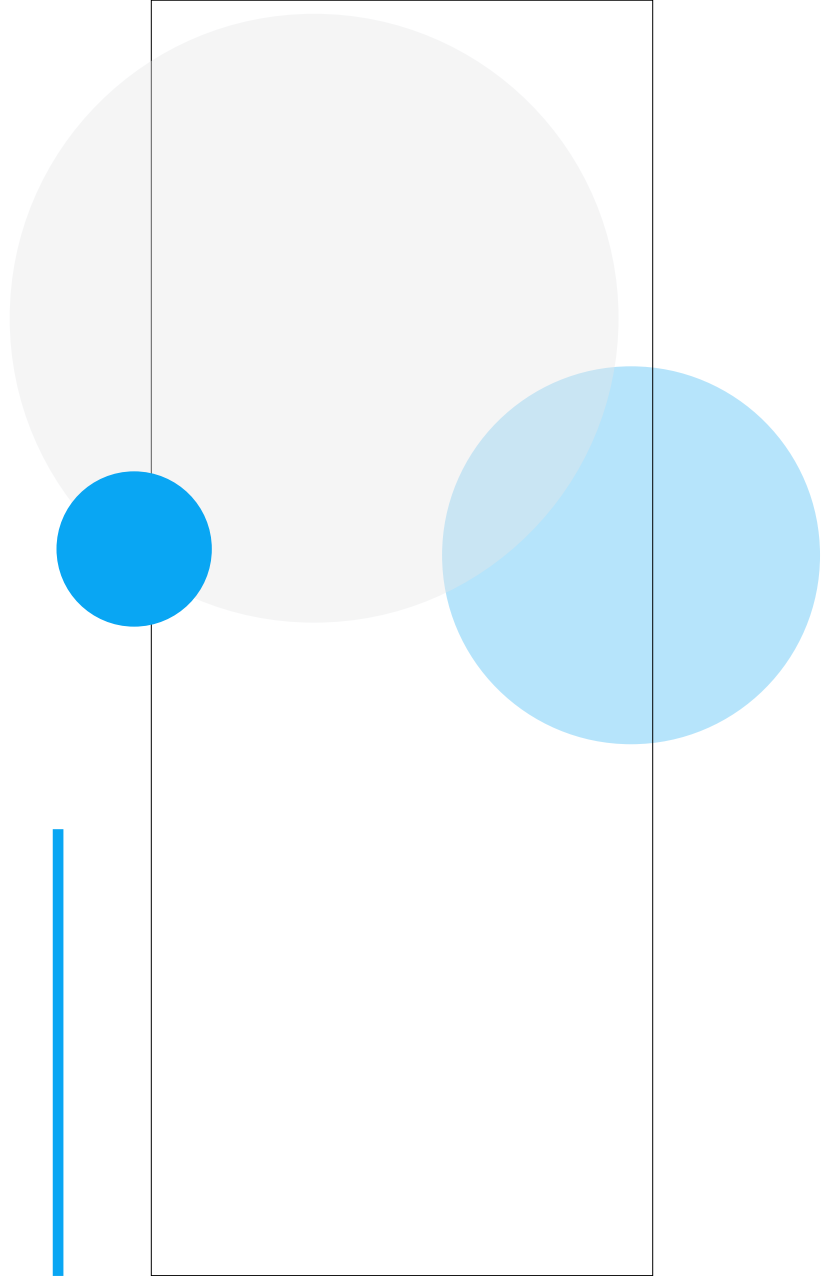
Contact Us

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