



14th September, 2023

To,
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E), Mumbai 400 051.
Script code: HPAL

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001.
Script code: 543433

Subject: Presentation for Investor/Analyst meeting.

Dear Sir/Madam,

Further to our intimation dated 12th September, 2023 regarding the intimation of investor and analyst meeting, we enclose a copy of the presentation proposed to be made at the Nuvama Home Decor Conference scheduled to be held on 15th September, 2023.

The presentation is also being hosted on the website of the Company at www.hpadhesives.com.

We request you to kindly take the above on record as required pursuant to Regulation 30(6) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.

Kindly take the same on record.

Yours Faithfully,
For HP Adhesives Limited

Jyoti Chawda
Company Secretary
M. No. A40074
Encl: As above

HP ADHESIVES LIMITED (Formerly known as HP ADHESIVES PRIVATE LIMITED)

Corporate Office: 501, 5th floor, C Wing, Business Square Bldg., Andheri East, Mumbai 400093, Maharashtra, India
Registered Office: 11, Unique House, Chakala, Andheri (East), Mumbai 400099, India
CIN: L24304MH2019PLC325019

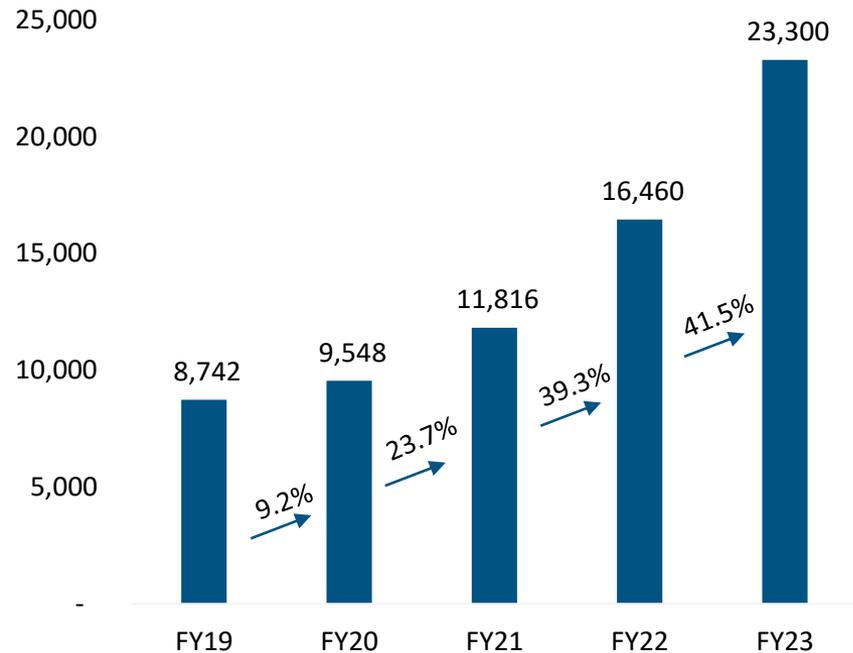
Tel: +91-22-68196300
Email: info@hpadhesives.com
Web: www.hpadhesives.com

OVERVIEW – HP ADHESIVES LTD.

Introduction

- Fast growing adhesives and sealants company
- 30+ years of promoter experience
- Wide product portfolio :
 - PVC, uPVC and cPVC solvent cement
 - Silicone, Acrylic, PU and other sealants
 - Synthetic rubber adhesives
 - PVA adhesives
 - Epoxy adhesives
- Pan-India distribution network and catering to international market also
- Successfully raised INR 125.96 cr by way of IPO in Dec 2021

Revenue from Operations (INR Lakhs)



Presence in 25 states and 5 UTs through a network of 1250+ distributors and catering to Exports market as well



State-of-the-art manufacturing facility with ongoing expansion to support the growth



Well-positioned to continue the growth momentum with a wide product portfolio

WIDE PRODUCT PORTFOLIO WITH VARIED APPLICATIONS

Solvent Cement



Silicone and Other Sealants



Synthetic Rubber adhesives



PVA adhesives



Ball valves and Tapes



Brands					
FY23 Sales (As % of Sales)	INR 13,806 lacs (58.3%)	INR 4,359 lacs (18.4%)	INR 1,635 lacs (6.9%)		INR 3,380 lacs (14.3%)
Y-o-y growth	▪ 38.4%	▪ 100.8%	▪ 16.4%		▪ 47.1%
End-user industries	<ul style="list-style-type: none"> ▪ Plumbing and Sanitary ▪ Drainage and water supply ▪ Irrigation 	<ul style="list-style-type: none"> ▪ Glass and glazing ▪ External weather sealing ▪ General interior sealing ▪ Bathroom and sanitary ▪ Automotive 	<ul style="list-style-type: none"> ▪ Furniture and wood working ▪ PVC flooring ▪ Footwear ▪ AC ducting ▪ Upholstery ▪ Foam-furnishing ▪ Automotive 	<ul style="list-style-type: none"> ▪ Furniture and wood working ▪ General purpose 	<ul style="list-style-type: none"> ▪ Plumbing and sanitary ▪ Drainage and water supply ▪ Irrigation ▪ Wood working ▪ General purpose
Started since	▪ Inception	▪ 2019	▪ 2018	▪ 2018	▪ 2015

Note: Sales figures above are net of tax but before turnover discount, schemes and credit notes

DISTRIBUTION CAPABILITIES

Multi-channel sales approach

Domestic – Distribution-led

- Domestic distribution driven-sales is across India through more than 1250 distributors across 30 states and UTs
- Below is overview of # of distributors in domestic region:

Domestic Region	# of distributors
West	420+
North	350+
South	275+
East	230+

Exports

- HP sells to distributors and large direct customers in international markets – last year it sold its products in 20+ countries.
- Below is select countries of exports by HP :



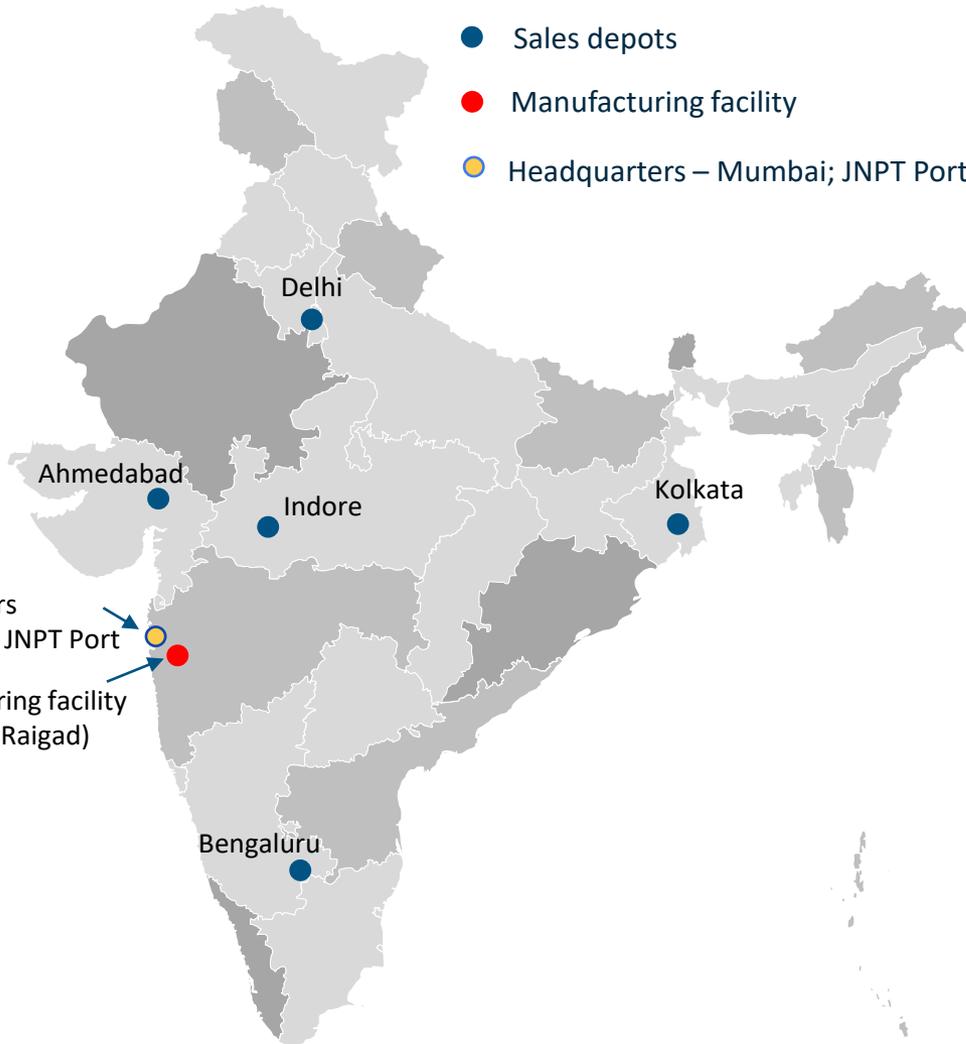
Institutional sales

- HP also supplies to select large Pipes manufacturing companies who in-turn sell to the end-customer – HP has relationship with several customers for over a decade



STRATEGICALLY LOCATED INFRASTRUCTURE

Close to Port and proximity to customer zones



- Factory Location – Village Narangi, Taluka Khalapur, Dist. Raigad, Maharashtra
- ~55 kms from JNPT Port where Company receives key raw materials by Imports and also undertakes exports from this Port
- HP Adhesives has got the following certifications:

ISO 9001:2015

ISO 14001:2015

ISO 45001:2018



MANUFACTURING COMPLEX AT KHOPOLI



- Unit I and Unit II (G+3 structure) at Khopoli
- Currently Solvent cement, Contact adhesives and PVA-based adhesives manufactured at Unit I
- Silicone sealants manufactured at Unit II

Unit I



- Manufacturing lines primarily consists of blenders / mixers, filling lines and packaging lines
- Once new unit fully commissioned, existing unit will house solvent cement adhesives and other categories will move to new unit.

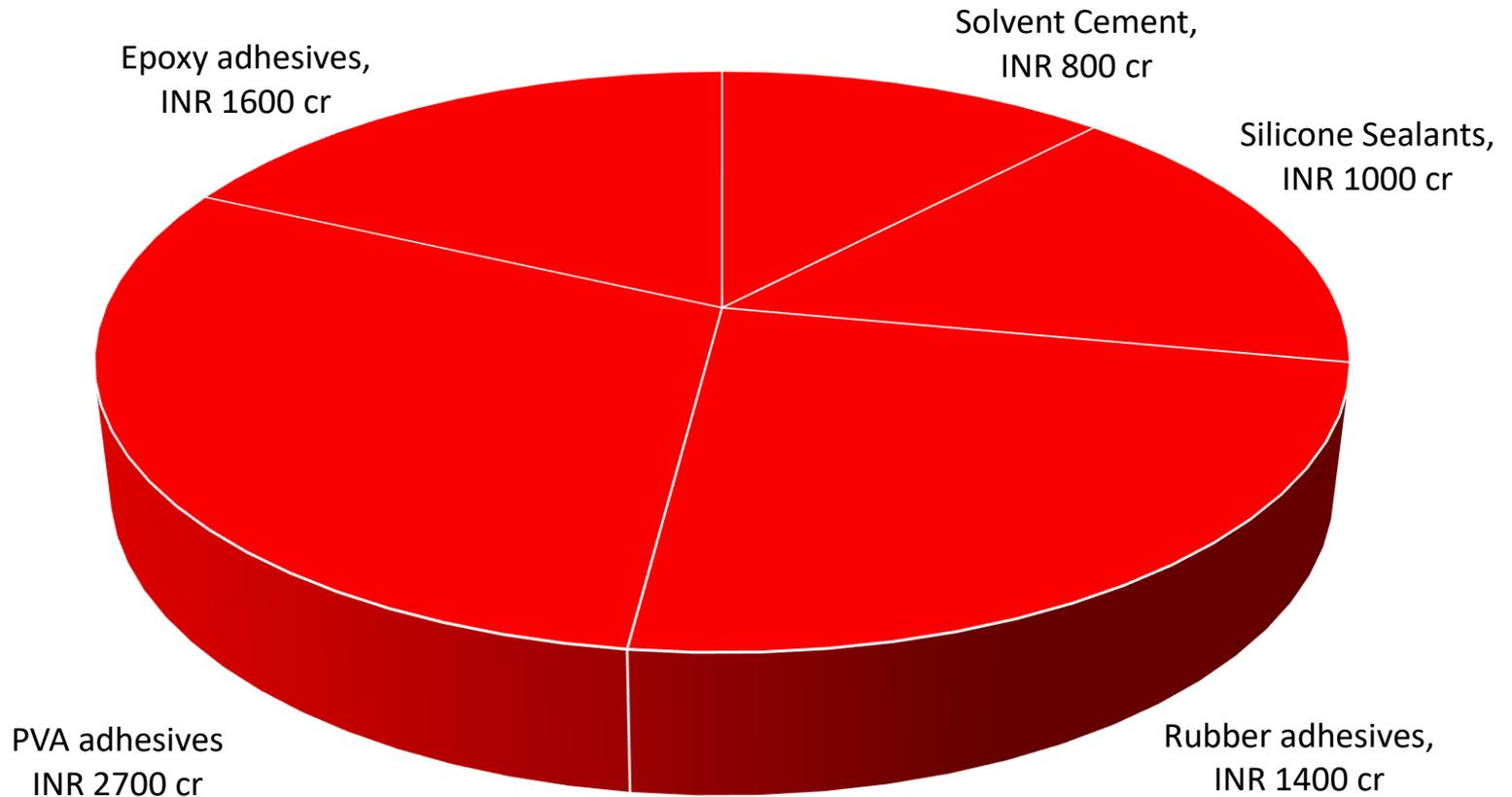
WELL-THOUGHT STRATEGY TO GROW IN THIS HIGH POTENTIAL INDUSTRY



- 
- 1 Continue to introduce new product categories and strengthen market positioning of recently launched products
 - 2 Expansion of distribution network across India as well as globally
 - 3 Increase the size of sales team to strengthen secondary penetration
 - 4 Continue to invest in plant automation to improve productivity
 - 5 Enhance demand by incentivizing end-user i.e. the applicators

CONSUMER ADHESIVES INDUSTRY – INDIA

Consumer adhesives pie in which HP is operating –
approx. 7500 cr



Note: Figures indicate consumer and bazaar segment market size of that product segment as per Management estimates

KEY P&L INDICATORS

Particulars (INR Lacs)	Previous years		Last Financial Year					Current FY
	12m FY21	12m FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	12m FY23	Q1FY24
	Audited	Audited	Reported	Reported	Reported	Reported	Audited	Reported
Revenue from Operations	11,816	16,460	6,164	5,832	5,517	5,786	23,300	5,932
<i>y-o-y growth</i>	<i>23.7%</i>	<i>39.3%</i>					<i>41.6%</i>	
Cost of Material consumed (incl. inc/dec in inventory)	8,122	12,086	4,899	4,296	3,872	3,758	16,826	4,052
Gross Profit	3,694	4,374	1,265	1,537	1,644	2,028	6,474	1,880
Gross margin	31.3%	26.6%	20.5%	26.3%	29.8%	35.0%	27.8%	31.7%
Employee expenses	1,474	1,733	515	522	543	614	2,194	657
Other operating expenses	1,023	1,511	545	591	532	712	2,380	610
Other income	572	283	114	81	40	59	293	98
EBITDA	1,769	1,413	320	504	609	761	2,194	712
EBITDA margin	15.0%	8.6%	5.2%	8.6%	11.0%	13.2%	9.4%	12.0%
Finance & depreciation	446	597	133	149	141	130	553	126
Exceptional items	-	-	-	64	70	3	138	-
Profit before tax	1,323	815	187	291	398	627	1,503	586
Tax expense	317	215	50	40	88	240	417	135
Profit after tax	1,006	601	137	251	310	387	1,086	451
PAT margin	8.5%	3.6%	2.2%	4.3%	5.6%	6.7%	4.7%	7.6%

KEY BALANCE SHEET INDICATORS

In INR lakhs

Key balance sheet items	As of Mar-23	As of Mar-22
LIABILITIES		
Paid-up share capital	1,837.49	1,837.49
Other Equity	12,991.33	11,896.44
Networth	14,828.83	13,733.93
Total Debt		
- Term loans and vehicle loans	429.08	817.51
- Working capital debt	33.48	532.89
Total debt	462.56	1,350.39
Lease Liabilities	390.25	505.55
Other non-current and current liabilities	759.38	785.91
Total Liabilities	16,441.02	16,375.78
ASSETS		
Net Fixed assets	3,509.73	2,063.68
CWIP	1,725.54	1,754.49
Cash and Bank FD balances	3,080.65	6,200.00
Working Capital		
Inventories	4,486.05	4,116.88
Trade Receivables	3,725.44	3,205.16
Less: Trade Payables	2,024.27	3,166.12
Core Net working capital	6,187.22	4,155.92
Core Net working capital as % of Sales	26.6%	25.2%
RoU and Intangibles	365.53	505.46
Other non-current and current Assets	1,572.34	1,696.23
Total Assets	16,441.01	16,375.78
Inventory days	70.3	91.3
Receivable days	58.4	71.1
Payable days	31.7	70.2

PROFIT AND LOSS STATEMENT

HP ADHESIVES LIMITED

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2023

(₹ in lakhs unless otherwise stated)

S. No.	Particulars	Quarter Ended			Year Ended
		30th June, 2023 (Unaudited)	31st March, 2023 (Unaudited)	30th June, 2022 (Unaudited)	31st March, 2023 (Audited)
1	INCOME				
	Revenue from operations	5,932.30	5,786.40	6,164.35	23,299.60
	Other income	98.36	58.61	114.28	293.47
	Total Income	6,030.66	5,845.01	6,278.63	23,593.06
2	EXPENSES				
	Cost of Material Consumed	3,106.38	3,173.19	4,756.26	14,209.46
	Purchases of stock-in-trade	808.73	1,032.21	889.12	2,901.74
	Changes in inventories of finished goods (including stock-in-trade) and work-in-progress	136.94	(446.96)	(746.29)	(285.70)
	Employee benefits expenses	656.91	613.78	515.07	2,194.14
	Other expenses	609.65	711.74	544.89	2,379.74
	Finance costs	22.94	42.74	55.74	229.28
	Depreciation and amortisation expense	103.30	87.73	76.98	323.50
	Total Expenses	5,444.84	5,214.42	6,091.77	21,952.16
3	Profit / (Loss) before Exceptional items and tax for period/year (1-4)	585.82	630.58	186.86	1,640.90
4	Exceptional items		(3.42)		(137.54)
5	Profit / (Loss) before tax (PBT) for the year/period (3-4)	585.82	627.17	186.86	1,503.36
6	Tax expense				
	Current tax (Net)	(135.05)	(159.49)	(45.15)	(359.94)
	Deferred tax	0.55	(73.41)	(4.59)	(77.34)
	Income Tax Excess/(Short) Provision of previous year(not annualised for quarters)		(7.10)		19.73
	Total Tax Expense	(134.50)	(240.00)	(49.74)	(417.55)
7	Profit after Tax (PAT) for the period/year (5-6)	451.32	387.17	137.12	1,085.81

PROFIT AND LOSS STATEMENT (CONTD.)

HP ADHESIVES LIMITED

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2023

(₹ in lakhs unless otherwise stated)

S. No.	Particulars	Quarter Ended			Year Ended
		30th June, 2023 (Unaudited)	31st March, 2023 (Unaudited)	30th June, 2022 (Unaudited)	31st March, 2023 (Audited)
8	Other comprehensive income				
	A Items that will not be reclassified to profit or loss account				
	(i) Re-measurement gains / (losses) on defined benefit plans	3.00	(16.93)	14.52	12.14
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.76)	4.26	(3.65)	(3.05)
	B Items that will be reclassified to Profit or loss account	-	-	-	-
	Other comprehensive income for the year, net of tax (A+B)	2.24	(12.67)	10.86	9.08
	Total comprehensive income for the year (7+8)	453.56	374.50	147.98	1,094.89
9	Paid up Equity Share Capital (Face Value of ₹ 10/- per equity share)	1,837.49	1,837.49	1,837.49	1,837.49
10	Other Equity for the year				12,991.33
11	Earning per Equity share (Face value ₹ 10/- per equity share) not annualised for quarters				
	(a) Basic in ₹	2.46	2.11	0.75	5.91
	(b) Diluted in ₹	2.46	2.11	0.75	5.91

See the accompanying notes to the financial results

BALANCE SHEET

AUDITED STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(₹ in Lakh unless otherwise stated)

Particulars	As at 31st March, 2023	As at 31st March, 2022
ASSETS		
Non-current assets		
Property, Plant and Equipment	3,509.73	2,063.68
Capital work-in-progress	1,725.54	1,754.49
Right of Use Assets	353.94	488.80
Other Intangible Assets	11.59	16.66
Financial Assets		
Other Financial Assets	2,941.10	1,432.00
Deferred Tax Asset (net)	51.49	128.83
Other Non-Current Assets	204.24	223.93
Total Non-Current Assets	8,797.62	6,108.40
Current Assets		
Inventories	4,486.05	4,116.88
Financial Assets		
Trade Receivables	3,725.44	3,205.16
Cash and Bank Balances	38.23	4,768.00
Bank balances other than cash and cash equivalents	101.32	-
Loans and advances	114.60	119.04
Current Tax Assets (net)	6.81	-
Other Current Assets	1,195.20	1,224.42
Total Current Assets	9,667.66	13,433.50
TOTAL ASSETS	18,465.28	19,541.90

BALANCE SHEET (CONTD.)

AUDITED STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(₹ in Lakh unless otherwise stated)

Particulars	As at 31st March, 2023	As at 31st March, 2022
EQUITY AND LIABILITIES		
EQUITY		
Equity Share Capital	1,837.49	1,837.49
Other Equity	12,991.33	11,896.44
Total Equity	14,828.83	13,733.93
LIABILITIES		
Non-Current Liabilities		
Financial Liabilities		
Lease Liabilities	264.00	390.25
Borrowings	265.84	429.08
Other Non Current Liabilities	-	-
Provisions	91.72	91.61
Total Non-Current Liabilities	621.56	910.95
Current Liabilities		
Financial Liabilities		
Lease Liabilities	126.25	115.29
Borrowings	196.72	532.89
Trade Payables		
(i) Total outstanding dues of Micro and Small Enterprises	761.56	704.61
(ii) Total outstanding dues of creditors other than Micro and Small Enterprises	1,262.71	2,461.52
Other Financial Liabilities	356.30	681.81
Other Current Liabilities	152.70	264.97
Provisions	45.75	96.08
Current Tax Liabilities (Net)	112.91	39.86
Total Current Liabilities	3,014.90	4,897.02
TOTAL LIABILITIES	3,636.46	5,807.97
TOTAL EQUITY AND LIABILITIES	18,465.28	19,541.90

EXPERIENCED AND PROFESSIONAL TEAM

Senior Management Team

Karan
Motwani
(Managing
Director)

- Aged 37 yrs, Karan joined the Company in 2008
- Primarily drives the organization by overseeing execution of business plan, envisioning strategic business development and exploring new avenues of growth
- He holds a Masters degree in Management from S P Jain, Mumbai

Nidhi
Motwani
(Executive
Director)

- Aged 30 yrs, she joined the Company in Feb 2016
- Leads the Operations and Production alongwith business development for silicone sealants and SR and SH
- Previously worked with India Philip Morris, Suzlon Energy and Godfrey Philips India
- She holds a Masters degree in Global business from S P Jain, Mumbai

Saurabhraj
Bhatt
(VP, Sales &
Marketing)

- Aged 47 yrs, he joined the Company in Sep 2020
- Responsible for overall domestic as well as exports sales for the Company – leads a team of almost 200 member sales team
- Previously worked with SRF Ltd., Pidilite Industries, Tidal Laboratories, and Sun Pharmaceutical India

Mihir Shah
(Chief
Financial
Officer)

- Aged 40 yrs, he joined the Company in May 2021
- Heads the strategic finance and Accounts department
- Extensive experience in corporate finance profile – earlier part of Acquizon Advisory (Global M&A Partners, India), Ladderup Corporate Advisory and Kotak Investment Banking

Sabrinath
Nair (Sr.
Manager –
Purchase)

- Aged 47 yrs, he joined the Company in Sep 2015
- Responsible for Purchase and Supply chain department for the Company
- Experience of 28 years in accounts, inventory control and logistics operations and well versed with supply chain management

BOARD OF DIRECTORS

Board of Directors



Anjana Motwani (Chairperson & Executive Director)

- Aged 65 yrs, She has been instrumental in growth and development of the Company
- More than 4 decades of experience in this industry
- Currently overseeing the operations as well as purchase and finance areas of the Company



Karan Motwani (Managing Director)

- Aged 37 yrs, he has played a key role in growing the Company by introducing new products and expanding distribution network
- Joined the Company in 2007 and is responsible for driving the growth strategy and vision execution



Nidhi Motwani (Executive Director)

- Aged 30 yrs, she joined the Company in Feb 2016
- Previously worked with India Philip Morris, Suzlon Energy and Godfrey Philips India
- She holds a Masters degree in Global business from S P Jain, Mumbai



Surendra Mehta (Non-executive & Independent Director)

- Aged 57 yrs, he is a qualified CA and CS
- Previously worked with ACC Ltd. as Head of business excellence, iGATE as VP – Finance, IGE (India) Ltd. as CFO and CS and has over 3 decades of experience



Ajeet Walavalkar (Non-executive & Independent Director)

- Aged 65 yrs, he is an Electrical engineer
- He was ED of Morris Line Engineering and before that he was COO of Bahwan Engineering Co. LLC, Oman (USD 5+ bn group) where he spent 35+ years in various positions



Rajendra Kumar Jain (Non-executive & Independent Director)

- Aged 55 yrs, he is a qualified CS and holds law degree
- Almost 2 decades of experience as practicing Company Secretary
- Presently he is acting as Secretary General of Mewar Chamber of Commerce and Industry since 2017

Disclaimer: This presentation may contain statements which are “forward looking” in nature including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to HP Adhesives Ltd. (“HP Adhesives” or the Company) future business developments and economic performance.

While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

HP Adhesives undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.



CONTACT:

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Chief Finance Officer

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For more info, visit www.hpadhesives.com