



SKM EGG PRODUCTS
THINKING OUT OF THE SHELL

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of the Shell





Presented by

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About the Company

- The largest egg processing company in India
- Leadership market position - More than 50% of total egg product exports from India
- Strong raw material sourcing capabilities
- Highest quality standards adhered to meet export market's stringent quality standards
- Strong relationship and globally approved supplier status with strong brands such as Mondelez, Heinz, CSM amongst others
- Key Markets – Japan, Europe, South East Asia & Russia
- Strong network in key markets through subsidiary, branch & exclusive distributors – SKM Europe , SKM Russia & SKM Japan
- Trendsetting welfare policies for employees and various CSR activities
- Strong top management team with professionals to manage day to day operations



Details of Manufacturing Facility

Raw Material - Eggs

- Own Farm located in Erode
- Own Farm produces 5 lakhs eggs per day
- Tie up with contract manufacturers in & around Namakkal

Finished Product - Egg Powder

- Own processing unit located in Erode
- Installed capacity to process 6900 MT of egg powder per annum
- World class infrastructure to maintain export level product quality

Particulars	2014-15	2015-16	2016-17
Installed capacity (In Mt's)	6900	6900	6900
Actual production (In Mt's)	6900	6141	4982
Capacity utilization (%)	100	89	72



Overview of Operations

Raw Material

Egg – Key Raw Material

- 25% of egg requirement met in-house
- Proximity to Namakkal, second biggest egg producing center in India
- Feed mill commissioned to enhance feed operations efficiency

Process Control

Strong Process Controls

- Controls entire Life cycle of Egg Processing
- All feed and additives are Quality control
- Automated tracking system for Egg process
- Export level quality to maintain market share

Forex Management

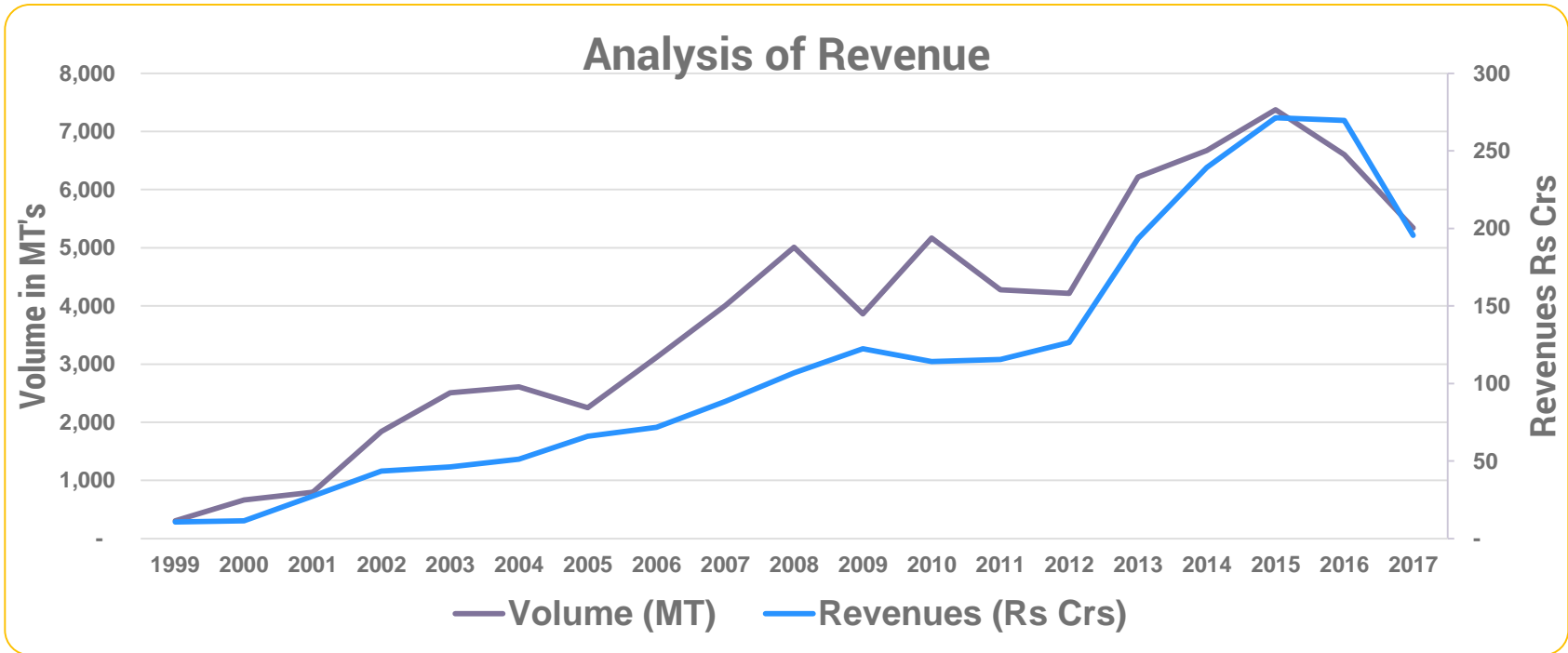
Forex Management

- Majority revenues derived from exports
- Denominated mostly in Euros & dollars
- Forward contracts employed to minimize forex risk
- No Forex losses in last 3 years



Sales – Strong Volume growth

CAGR Volume growth of 17.2%; CAGR Revenue growth of 17.5%





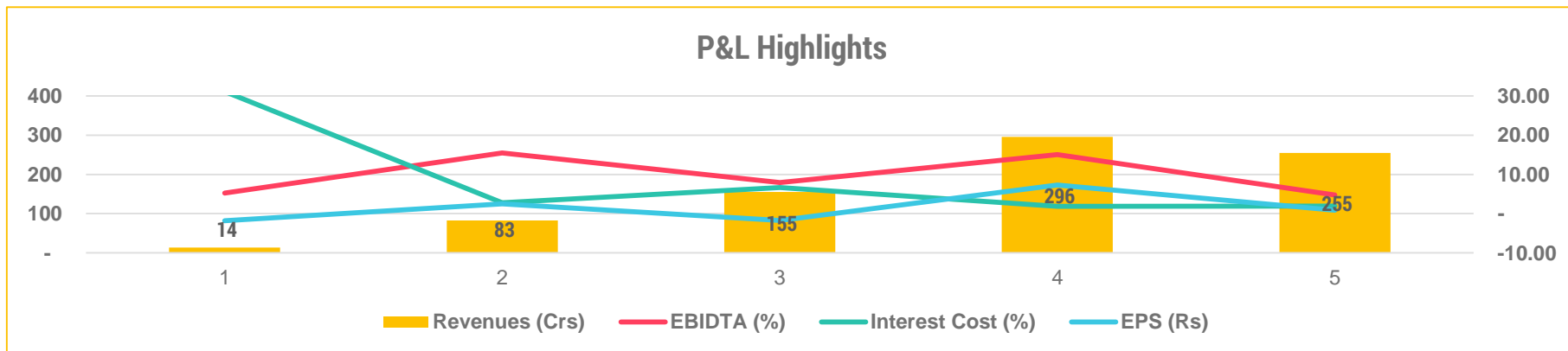
Analysis – P&L Account through the cycle

Block 1 – 1998 to 2001; Block 2 – 2002 to 2009; Block 3 – 2010 to 2013; Block 4 – 2014 to 2016 --- Compared with Current year 2017

(Block Avg. in Crs)

Revenues	Gross Income	Higher the better
EBIDTA	Earnings before Interest, Depreciation & Taxes	Higher the better
Interest Cost (% of Revenues)	Interest expense % in total cost structure	Lower the better
EPS	Earnings per share	Higher the better

Highlights	Block 1	Block 2	Block 3	Block 4	2017
Revenues (Crs)	14	83	155	296	255
EBIDTA (%)	5.27	15.48	7.92	15.05	4.78
Int. Cost (%)	31.11	2.78	6.64	1.90	1.96
EPS (Rs)	-1.83	2.52	-1.72	7.29	0.89



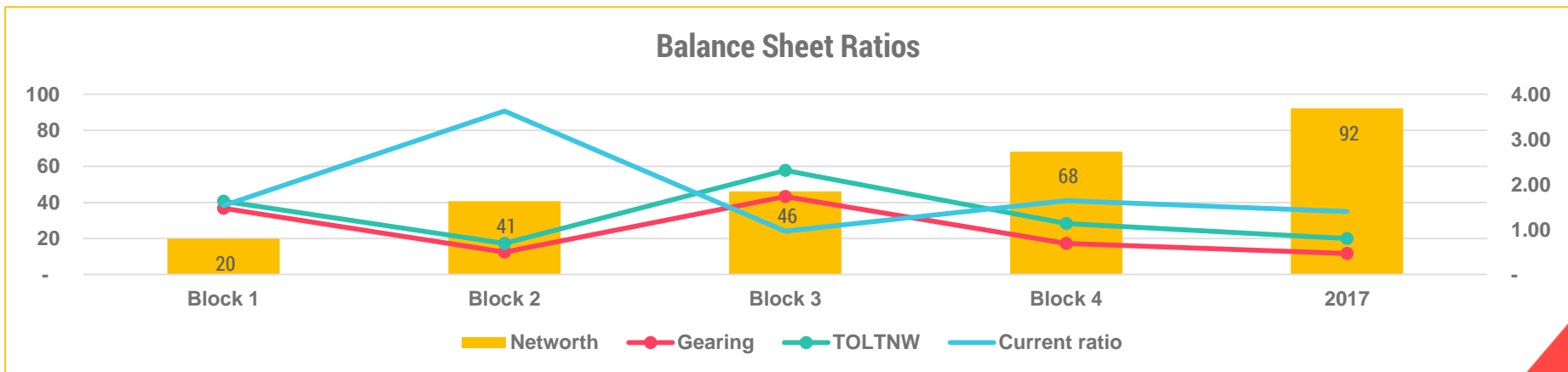


Analysis – Balance Sheet through the cycle

Block 1 – 1998 to 2001; Block 2 – 2002 to 2009; Block 3 – 2010 to 2013; Block 4 – 2014 to 2016 - - - Compared with Current year 2017

Network	Share capital + Reserves	Higher the better
Gearing	Total Debt/ Network	Lower the better
TOLTNW	Total Outside liabilities/ Tangible Network	Lower the better
Current Ratio	Current Assets/ Current Liabilities	Higher the better

Ratio	Block 1	Block 2	Block 3	Block 4	2017
Network	20	41	46	68	92
Gearing	1.47	0.50	1.73	0.69	0.47
TOLTNW	1.63	0.69	2.31	1.13	0.80
Current ratio	1.53	3.63	0.96	1.64	1.40





Key Competitive Strengths

Strong Fundamentals

- Long Standing industry experience
- Ability to manage downturns successfully
- Strong second level management team
- Healthy financial profile

Largest Vertically integrated player in egg processing industry

- Leadership market position in the industry
- Integration enabling high quality maintenance
- Facilities advantageously located close to raw material hub
- Strong control over product quality
- Manufacturing processes certified by major export destinations



Key Competitive Strengths

Strong Customer profile

- Relationship of over 15 years with key customers
- Marquee brands such as Heinz, Mondelez in client profile
- Revenue contribution to top 3 customers ~ 25% CAGR growth in 5 years

Key Management initiatives

- Own feed mill commissioned to enhance feed operation efficiency
- Raw Material Storage capacity enhanced
- Marketing offices set up in key markets
- Investment in modernization and upgrade
- Planned diversification from B2B to B2C
- Foray into Russian market
- Capacity available to manage next year growth



Key Highlights

- Company continues to maintain credit rating at Investment Grade with CARE Ratings Ltd
- Management has consciously prepaid all the term loans during surplus cash flow years
- Shares re-listed in BSE from 30.03.2017
- Implemented learnings from last business downturn and made company stronger
- Company's low leverage supporting business profile
- Continuous support of other stakeholders like bankers, customers, suppliers & shareholders
- Company to maintain inclusive growth going forward

THANK YOU !

Our Employees are our Biggest Asset

