

May 24, 2019

<p>The Manager - Listing Department, National Stock Exchange of India Limited, Exchange Plaza, NSE Building, Bandra Kurla Complex, Bandra East, Mumbai- 400 051</p> <p><b>SYMBOL : POLYPLEX</b></p>	<p>The General Manager - Listing Department, BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001</p> <p><b>BSE Scrip Code : 524051</b></p>
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Dear Sir(s),

**Sub: Regulation 30 of SEBI (LODR) Regulations, 2015**

**Ref: Interaction with Institutional Investors/Analysts**

We are pleased to inform you that Mr. Rakesh Agarwal, Unit CFO-India Operations and Ms. Shruti Singhania, Head Treasury & Risk Management will be interacting with certain Institutional Investors/Analysts on May 27, 2019 in Mumbai.

Copy of the presentation is enclosed.

This is for your information and record, please.

Thanking you,

Yours faithfully,

For Polyplex Corporation Limited

  
Ashok Kumar Gurnani  
Company Secretary

Email : [akgurnani@polyplex.com](mailto:akgurnani@polyplex.com)

**Polyplex Corporation Limited**

(CIN: L25209UR1984PLC011596)

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Board: +91.120.2443716-19, Fax: +91.120.2443723 & 24 Website : [www.polyplex.com](http://www.polyplex.com)

Registered Office: Lohia Head Road, Khatima - 262308, Distt. Udham Singh Nagar, Uttarakhand, India

# **POLYPLEX**<sup>®</sup>

Polyplex Corporation Limited (PCL)

May 24<sup>th</sup>, 2019

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Fourth Quarter FY 2018-19  
Financial Results & Summary



# *Disclaimer*

- This presentation may contain forward-looking statements which are based on the Company's current expectations and estimates about the industry, management's beliefs and various other assumptions. These forward-looking statements are subject to various risks, uncertainties and other factors, some of which maybe beyond our control. No assurance is given with regards to future events or the actual results, which may differ materially from those projected herein.
- This presentation does not constitute an offer to sell or a solicitation of an offer to buy or sell PCL stock and in no event shall the Company be held responsible or liable for any damages or lost opportunities resulting from use of this material

# *Polyplex: A Brief Introduction*

Polyplex group is among the world's largest manufacturers of thin PET Film

## Capabilities

- Thin PET
- Thick PET
- BOPP
- Blown PP/PE
- CPP
- PET Resin

## Downstream

- Metallizing
- Silicone Coating
- Extrusion Coating
- General purpose Offline Coating
- Holography
- Transfer Metallized Paper

**1600  
Customers in  
70 countries**

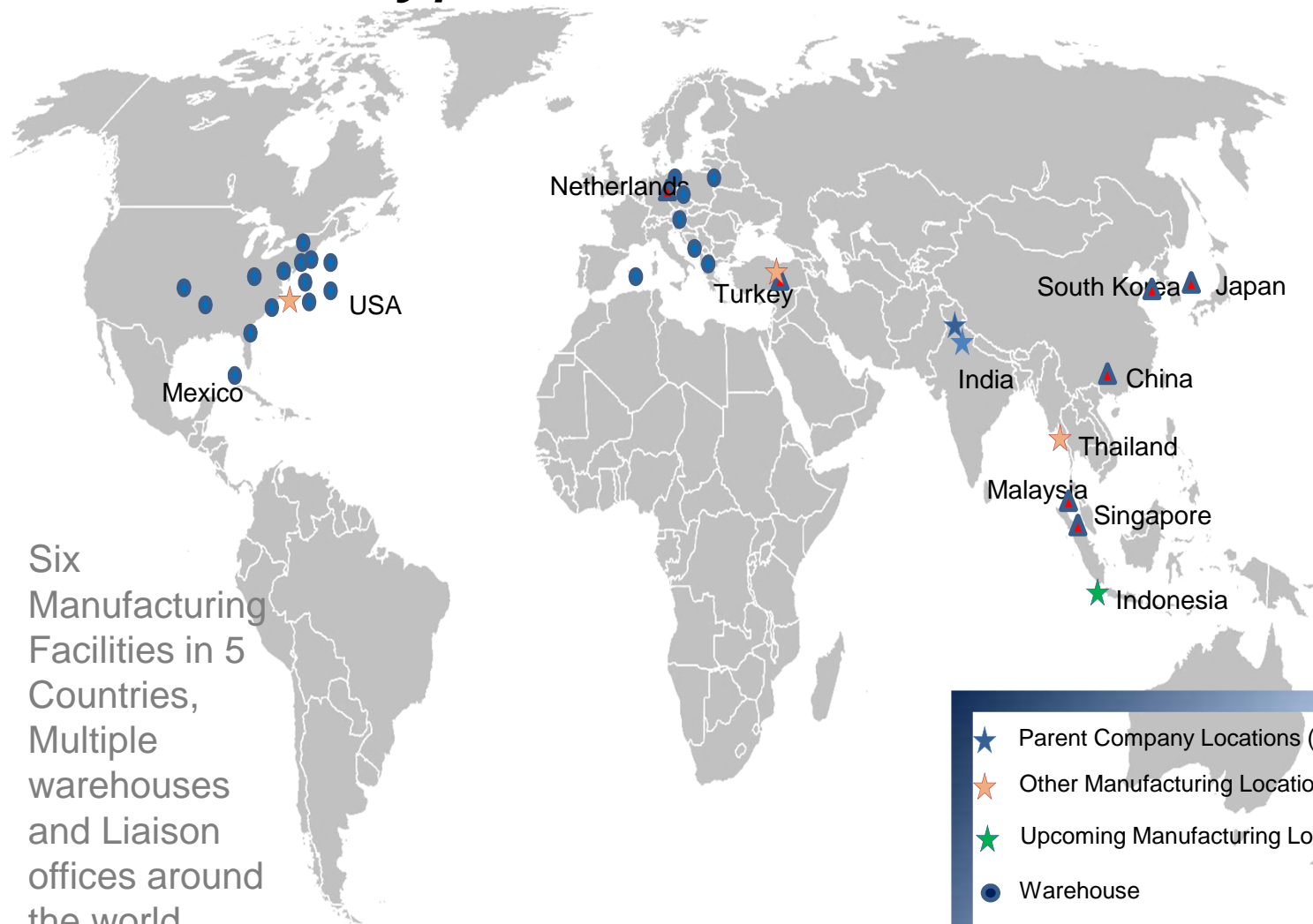
**2000+  
Employees  
From Varied  
Nationalities  
Working In  
Harmony**

**In Operation  
for 30+ Years**

## Focus on:

- Differentiated, Specialty and value added product portfolio.
- Sustainability

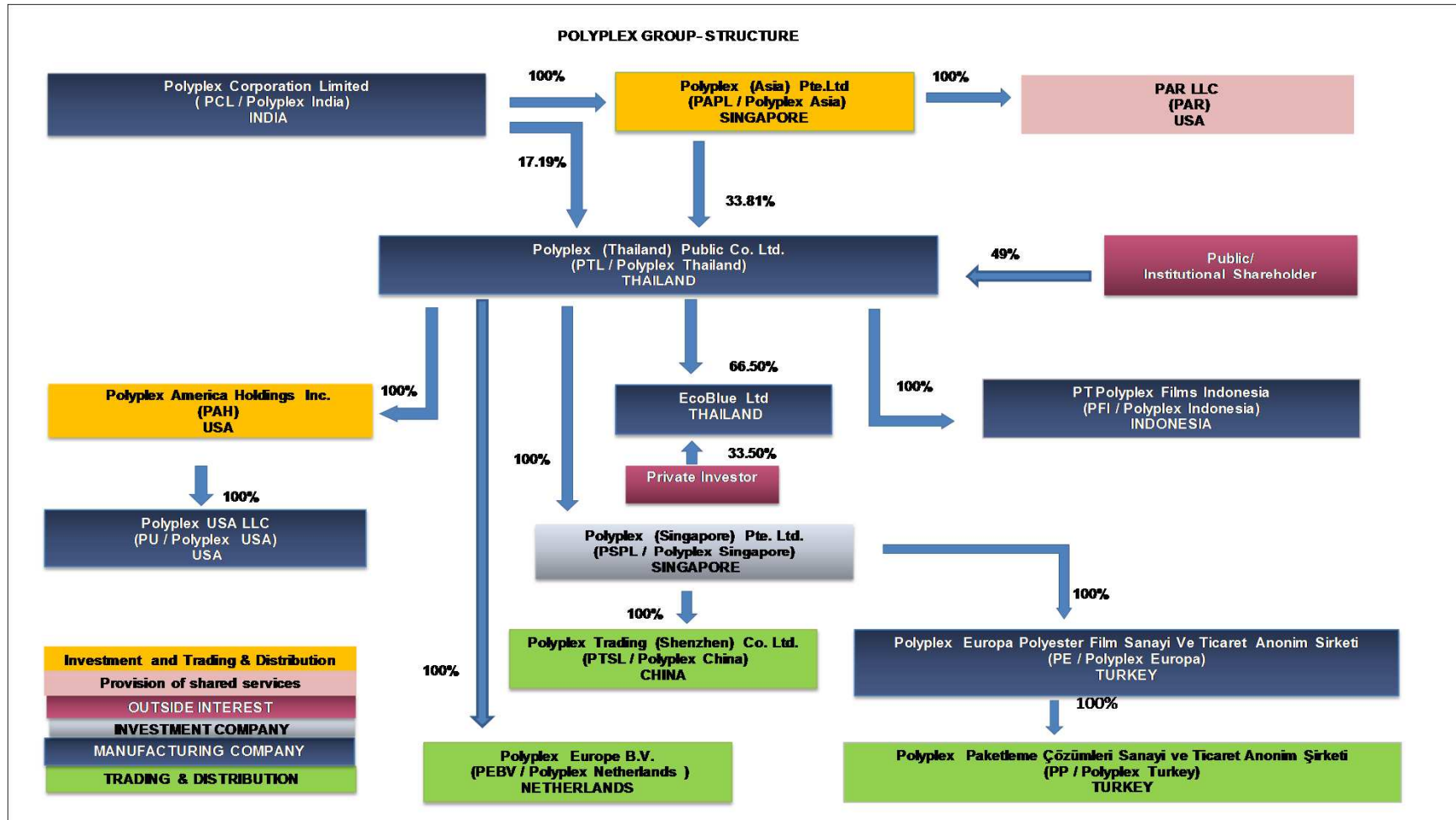
# *Polyplex: A Global Presence*



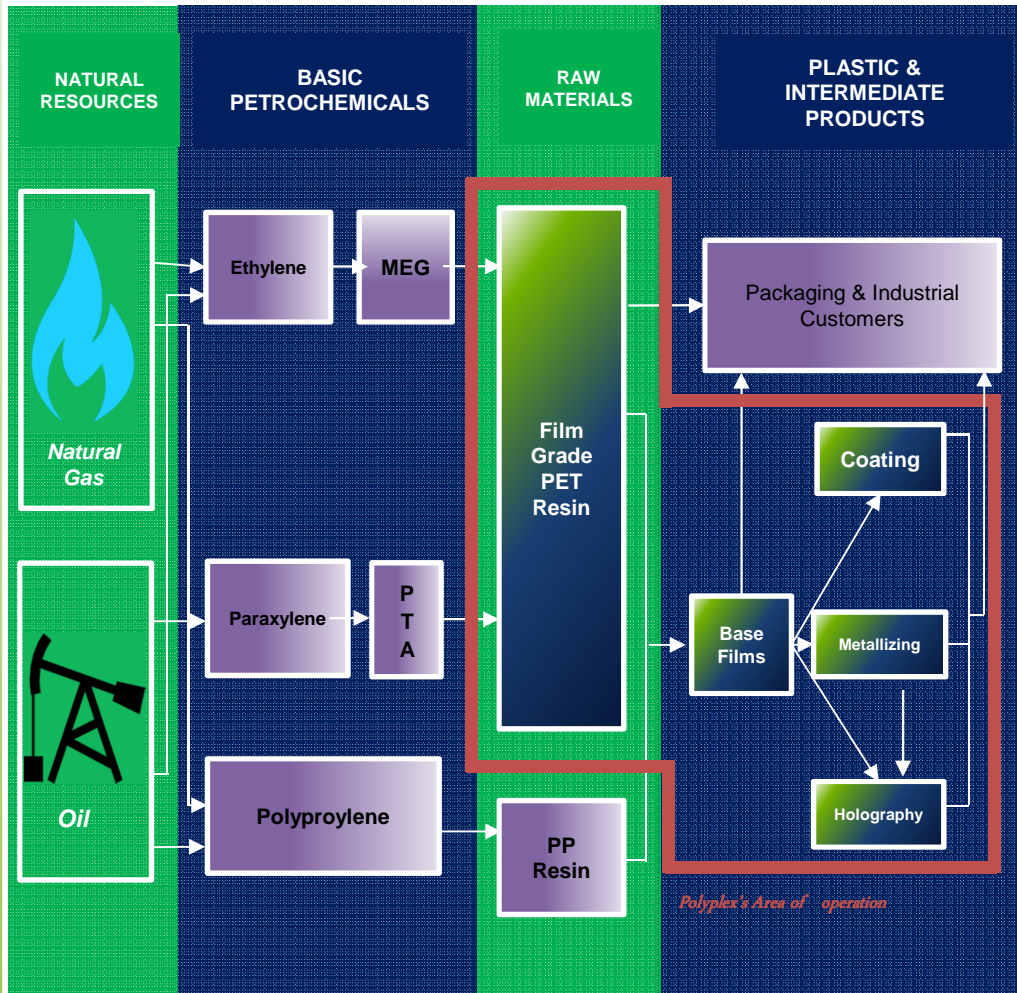
Six Manufacturing Facilities in 5 Countries, Multiple warehouses and Liaison offices around the world

- ★ Parent Company Locations (Manufacturing)
- ★ Other Manufacturing Locations
- ★ Upcoming Manufacturing Location
- Warehouse
- ▲ Trading Company / Representative Office

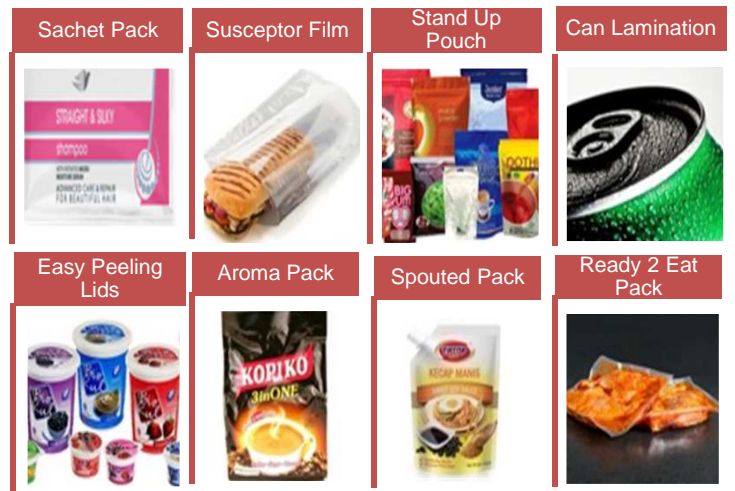
# Group Structure



# Value Chain



PACKAGING



INDUSTRIAL



# CAPACITY

	PET Film Resin (MT)	Base Films (MT)				Coated/ Value Added Films					
		PET Thin	PET Thick	BOPP	CPP	Blown PP	Metallized (MT)	Holography (MT)	Coated (Sqm)	Transfer Metallized Paper (Sqm)	
P A R E N T	INDIA	77,600	55,000		35,000			34,613	4080	286	83
	THAILAND	80,500	42,000	28,800		10,000	8,845	21,700		985	
	TURKEY	75,850	58,000					17,700	480	140	
	U.S.A	57,600	31,000					9,500			
	INDONESIA	73,000	44,000					6,000			
U P C O M I N G											
Polyplex Group Consolidated	364,550	230,000	28,800	35,000	10,000	8,845	89,513	4560	1,411	83	



**Q4 2018-19 Summary  
(QoQ Growth)**

**FY 2018-19 Summary  
(YoY Growth)**

Sales Volume (Plastic Film) 65,425 MT  
(8%)

Sales Volume (Plastic Film) 253,010 MT  
(6%)

Q4 2018-19 Revenue 115,674 INR Lacs  
(Flat)

FY 2018-19 Revenue 454,548 INR Lacs  
(28%)

Normalized EBITDA 19,782 INR Lacs  
(4%)

Normalized EBITDA 79,805 INR Lacs  
(34%)

PAT (Before Minorities) 17,724 INR Lacs  
(35%)

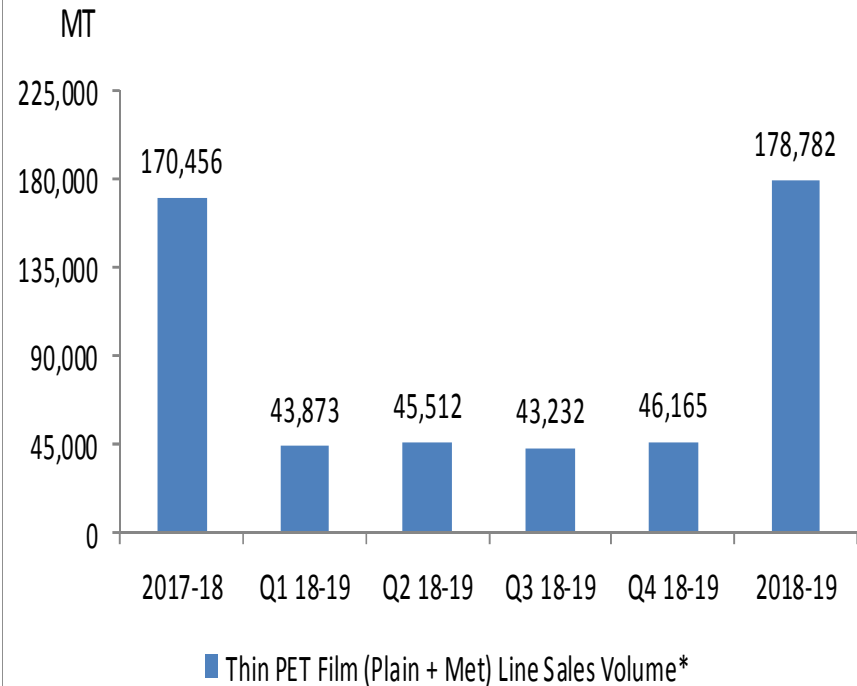
PAT (Before Minorities) 58,366 INR Lacs  
(105%)

EPS 31.86 INR/Share  
(32%)

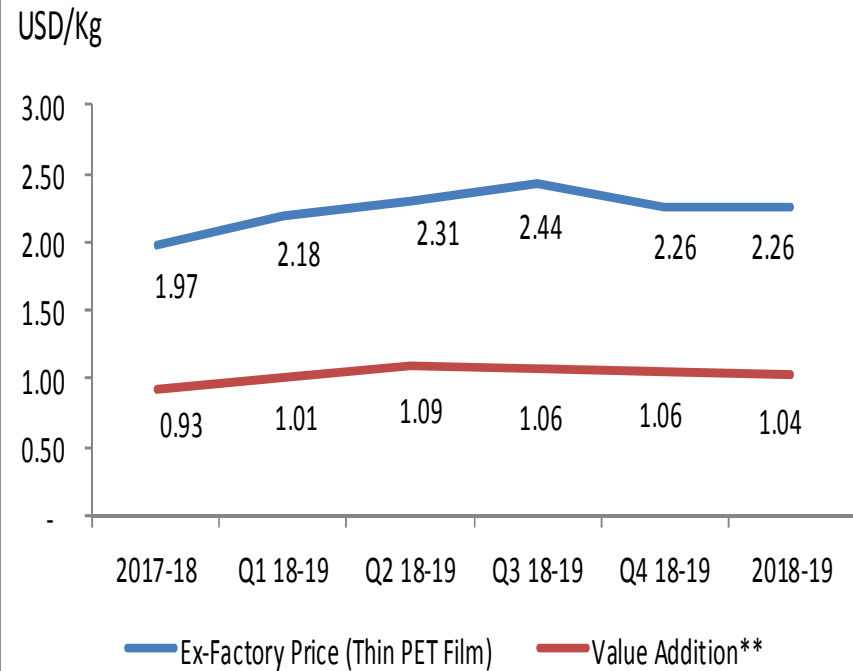
EPS 103.19 INR/Share  
(107%)

ROCE – 18.68%  
ROE – 22.94%  
(Excluding Cash & Bank Balance)

**Thin PET Film (Plain + Met) Sales Volume**



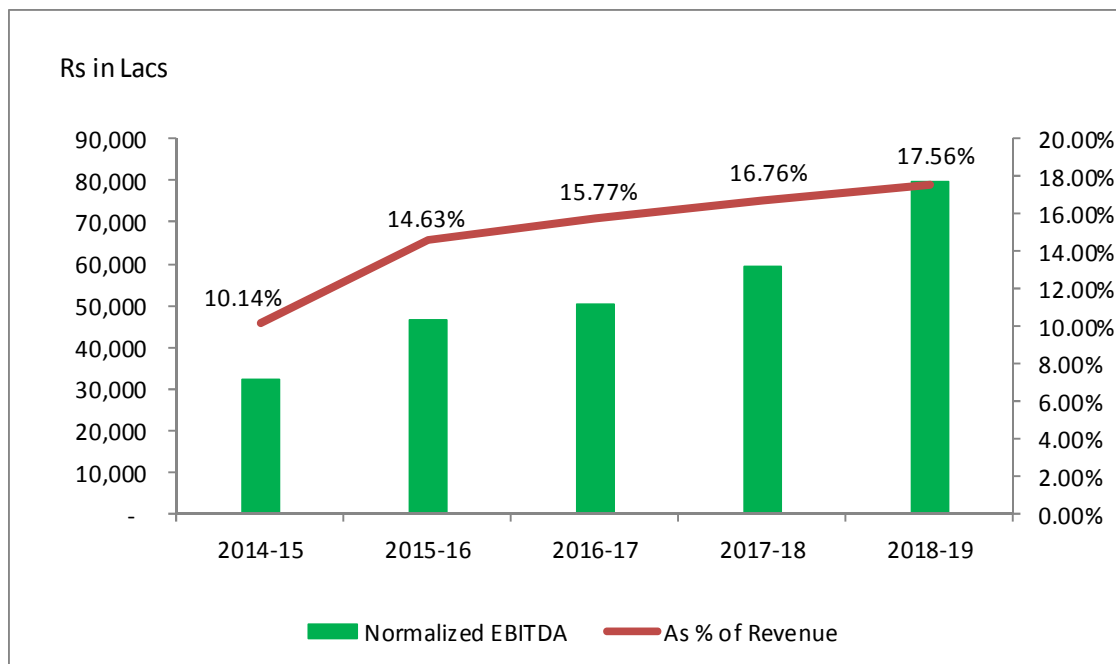
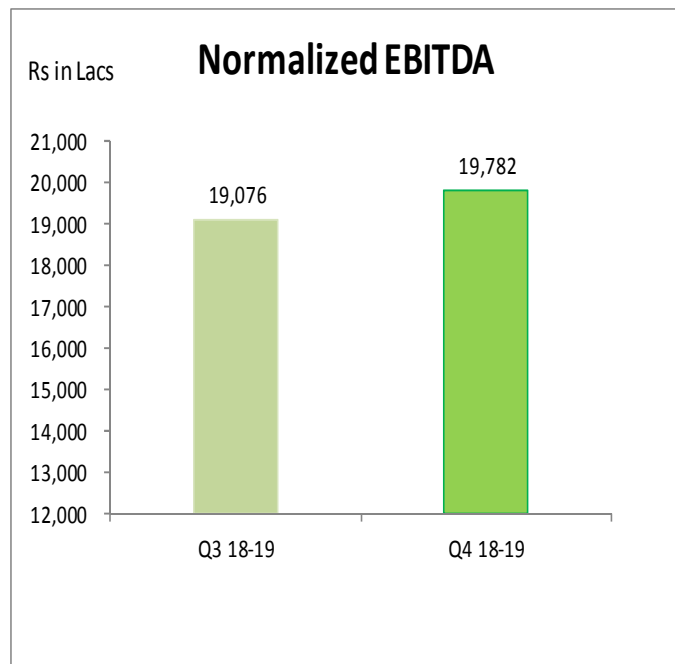
**Ex-Factory Price (Thin PET Film) & Value Addition**



\* Includes film transferred for Silicon/Extrusion coating but excludes sales of final product from these lines

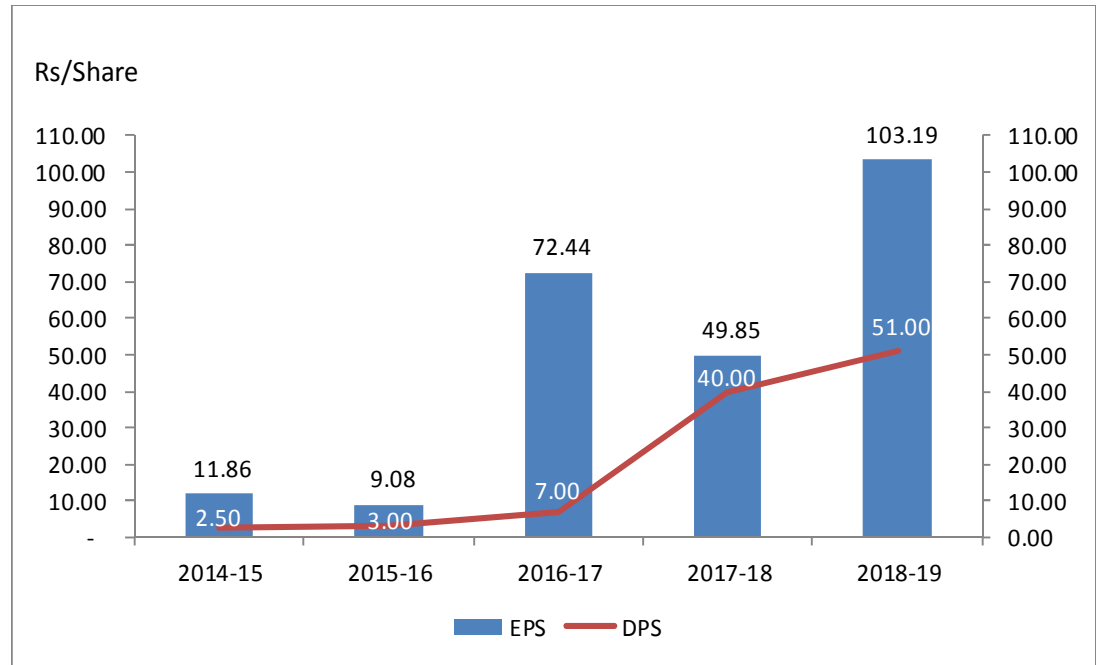
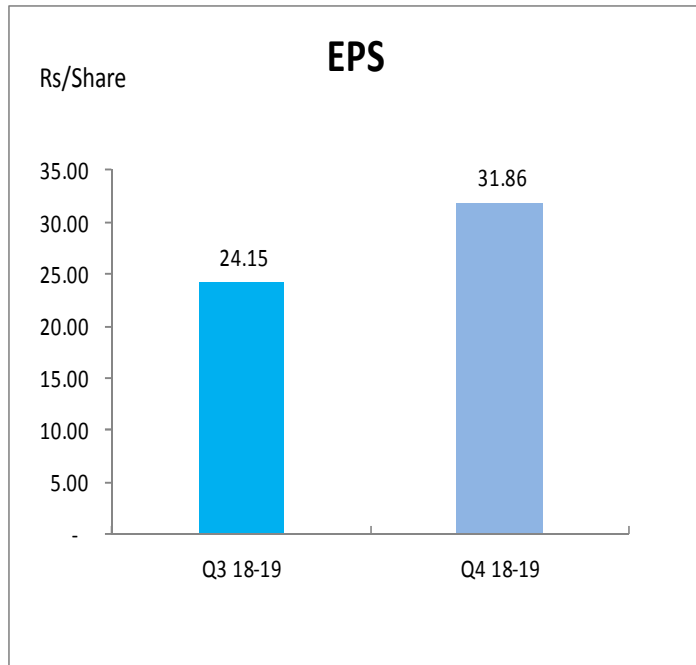
\*\* Over Raw Material

## Normalized EBITDA (PCL Consolidated)



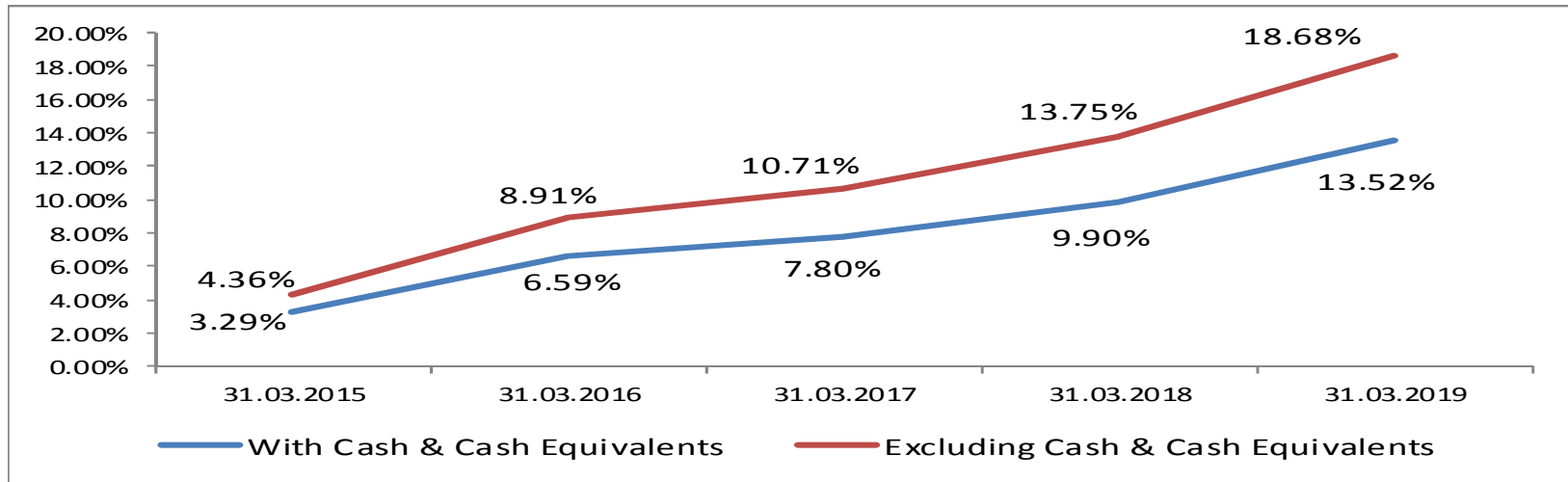
- *Normalized EBITDA : EBITDA excluding impact of FX gains/ losses on long term loan.*
- *Revenue: Gross sales excl. Export Incentive.*

## Reported EPS (PCL Consolidated)

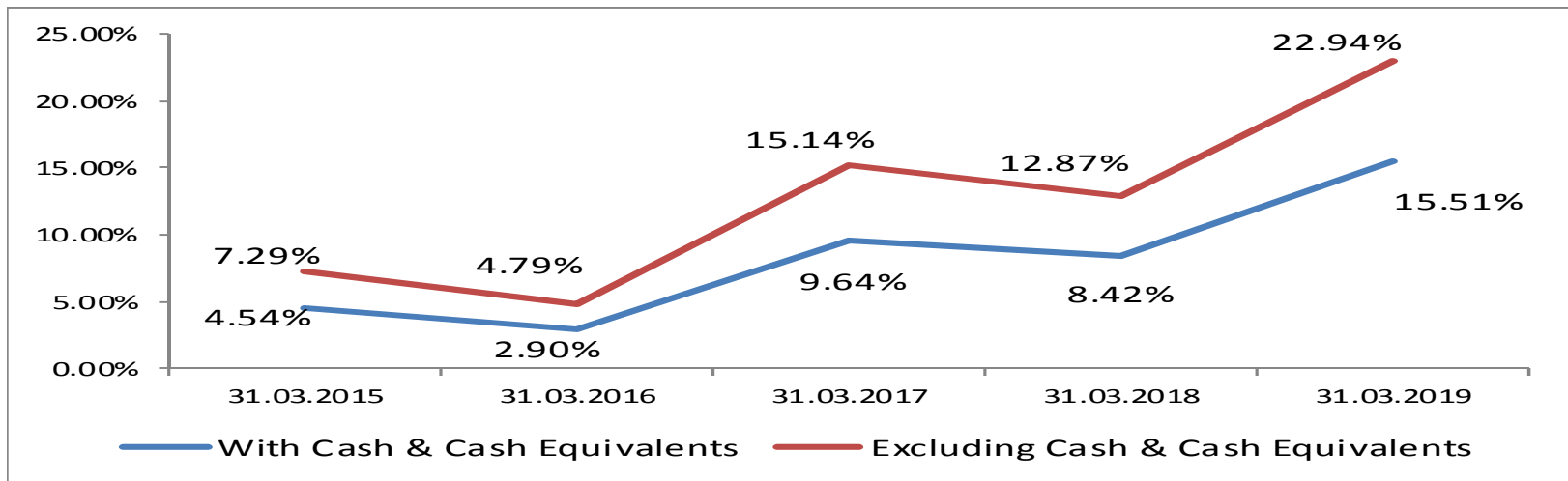


- YoY improvement in EPS led by narrowing demand-supply gap and improvement in operating efficiencies.

## ROCE



## ROE



## Group Cash & Debt Position

Cash & Debt Position as on 31st March 2019		
Name of entity	Cash & Cash equivalents (Rs. In crores)	Debt (Long Term + Short Term) (Rs. In crores)
Polyplex Corporation Limited / Polyplex (Asia) Pte.Ltd*	974	218
Polyplex (Thailand) Public Co. Ltd. & Subsidiaries	201	568
<b>Total</b>	<b>1,174</b>	<b>786</b>
<b>Note:</b> * Polyplex (Asia) Pte.Ltd is 100% owned by Polyplex Corporation Limited		

# Current Status - Projects

## Ongoing + New Projects – Capital Cost

Capex	Location	Amount in INR Crores	
		Total Expected Capital Cost	Amount Already Spent (As on 31st March 2019)
Green Field Project	Indonesia	552	293
Other Ongoing Projects- Brownfield	India	78	19
	Overseas	104	15
<b>Total Cost</b>		<b>735</b>	<b>327</b>

**Note:** In addition to above, Normal Maintenance Capex is generally in range of INR 30-40 Crores

## ***Current updates on ongoing projects***

### *Indonesia : A New Greenfield Project*

- **Capacity:**
  - Film Plant – 44KTPA,
  - Metallizer – 73KTPA,
  - Chips Plant – 6KTPA
- **Estimated Start Up Date:**
  - Film Plant - Q2 FY 2019-20
  - Metallizer – Q2 FY 2019-20
  - Chips Plant – Q3 FY 2019-20
- **Project Cost within budget**
- **Machine Installation in advanced stage**





# ***Current updates on ongoing/ projects.....continued***

## ***Holography - India***

- Capacity – 4,080 TPA
- Capability for seamless as well as coated product
- Applications – Decorative, Anti-Counterfeiting, Gift Wrap, Carton Lamination, Transfer Paper, etc
- Three Holography lines already commissioned and balance will be commissioned in Q2 FY 2019-20

## ***Transfer Metallized Paper – India***

- Capacity – Approx. 80 million square meter/year
- Applications - Label Stock, Wet Glue Label, Transfer Metallized Paper, Transfer Holographic Paper
- Expected Start up – Q1 2019-20

## ***Metallizer – India***

- Capacity – Approx. 6000 MT per annum
- Capability for Holographic and Direct Paper Metallizing besides regular PET films
- Expected Start up – Q3 2019-20

## ***Saracote Line III- Thailand***

- Capacity – Approx. 50 million square meter/year
- Micro gravure coating capability
- Target markets: Die-cutting/Electronics/Protective films for displays, Window Film Liner etc.
- Expected Start up – Q2 2019-20

## ***New Offline Coater - Thailand***

- Capacity – 1680 MT per annum
- High value added Specialty Films
- Expected Start up – Q2 2019-20

# *Other New Capex*

## New Batch Plant - Turkey

- Capacity – 18,250 MT/annum
- Expected start up – Q1 FY 2020-21
- To meet Silica & Specialty Resin requirement

## Holography Machine - Turkey

- Capacity – 480 MT/annum
- Expected start up – Q3 FY 2019-20
- Expanded product basket – specialty products

## *Focus on Value Added Films*

- Over the last few years, there has been a consistent focus on High value added (HVA) product sales. This helps in stable and higher earnings especially during the Industry downside.
- The high value added sales comprise around 50% of the total product portfolio of the Group and there is a continuous expansion in this portfolio.
- There is a healthy pipeline of new products under advanced stage of product / application / business development to further increase HVA sales proportion.
- Few products recently developed / under development

*Polyester film for digital printing*

*PU Coated PET film*

*Straight Tear Film*

*Peelable Film*

*Mulch Film*

*Shrink Film*

*Clear film for high end industrial applications*

*Thermal coated film for Cards*

*Holography Film*

*Transfer Metallizing Paper*

*Chicken Ovenable Film*

*Confectionary Film*

# Industry Outlook – PET film

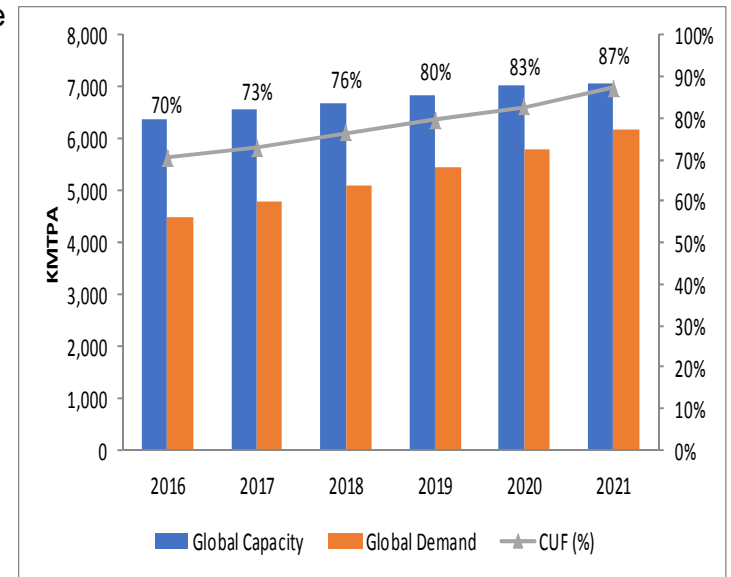
## New Capacities

1. Globally, several new Thin Film lines are expected to be added in the next two years, increasing the global capacity base by approx. 500K TPA.
2. In spite of these capacity additions, overall Industry CUF is expected to be healthy in the range of 83% - 85%
3. This may temporarily upset the demand supply balance and margins may come under pressure, especially as almost all the new investment is outside China
4. Europe, India & SEA would be the most effected as all the new lines are starting in these regions
5. Upgraded technology (10.6 mtr wide line) and concerns on sustainability remain a long term threat for the industry players

## Polyplex – Key points

- Low cost structure can ward off any competitive challenges from SEA or European manufacturers
- Leverage our local presence in various geographies – Quick turnaround, urgent delivery, onshore services
- Offer wide range of products
- Focus on specialty and high value added products thus making earnings more predictable & mitigates the cyclical impact of commodity volumes

## Global Demand-Supply



Source: Company Estimates

# Focus on Sustainability & Circular Economy

## Environmental Concerns leading to Regulatory Changes

- Europe Plastic Strategy 2018
  - 2030 – 100% recyclable packaging, 25% recycled content by 2025
- National and local level Policies – US & EU
  - Ban on single use plastics
  - More than 60 countries have introduced bans or levies on single use plastics
- India
  - Plastic Waste Management Rules 2016
  - Maharashtra Plastic Ban
    - Ban on carry bags less than 50 micron, less than 200 ml water bottles, single use items
    - Buy back prices of post consumed pouches/packs for promoting collection, recycle
    - Extended producer responsibility, to establish recycle systems
- FMCG companies setting stiff targets for reusable, recyclable or compostable packaging

## Our Response – An Opportunity to demonstrate Leadership

- Member of Industry associations and action groups
- Sustainable Products (PET, PP Films)
  - RPET Film with 50-90% PCR Content
  - Bio based – renewable
  - Bio degradable
  - Low temperature heat seal PET film for single substrate laminate using only PET films
  - High barrier blown PE films for single substrate laminates using only PE films
- Sustainable Processes – For reduction of :
  - Material, Waste
  - Energy, Water
  - Emissions, Effluents
- Further investments in Recycling unit in Thailand

It may be observed that Flexible Packaging (Multi-layer) is not under threat as there is no viable alternative with desired functional properties.

*Thank You*