

August 31, 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: Presentation on Q1 Unaudited Financial Results for the Financial Year 2019-20.**

We are pleased to enclose herewith our presentation on Q1 Unaudited Financial Results for the Financial Year 2019-20.

A Copy of the presentation is also being posted on Company's Website i.e. [www.polyplex.com](http://www.polyplex.com).

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)

B-37, Sector-1, Noida - 201 301, Distt. Gautam Budh Nagar (U.P.) India

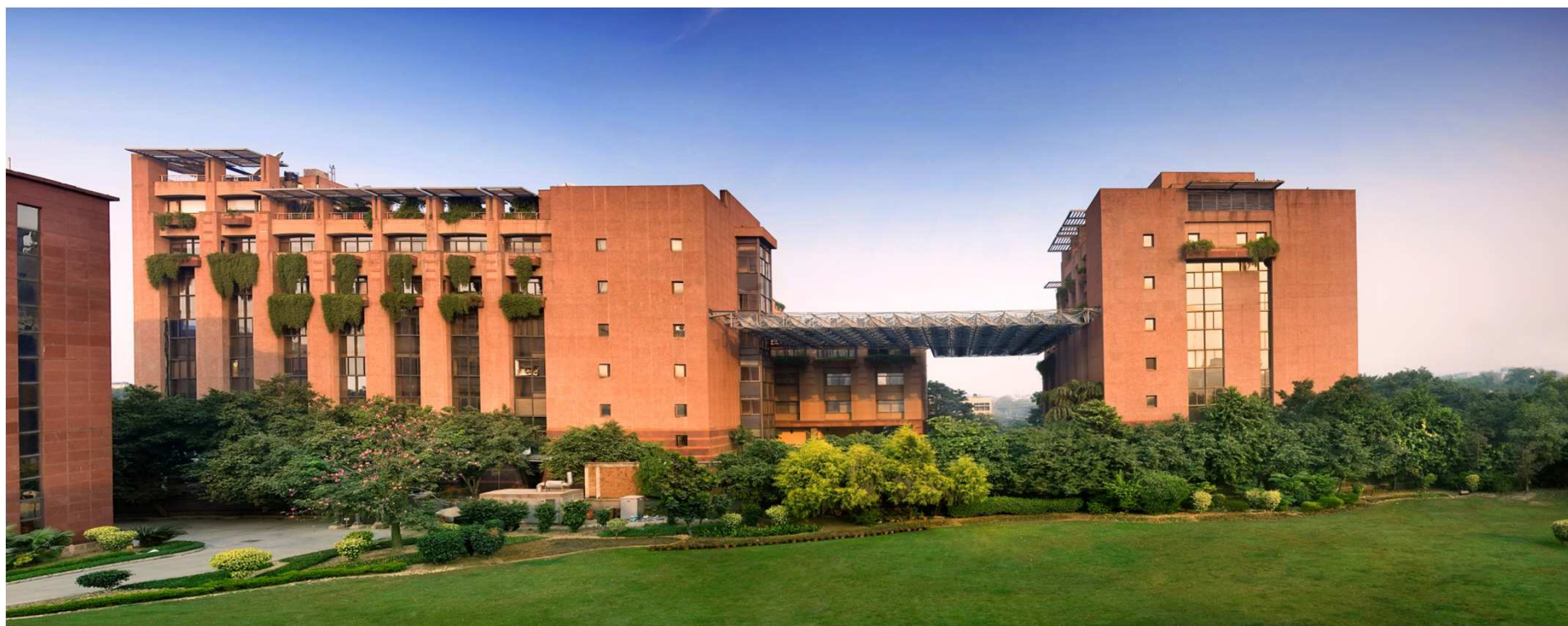
Board: +91.120.2443716-19, Fax: +91.120.2443723 & 24 Website : [www.polyplex.com](http://www.polyplex.com)

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

# **POLYPLEX**<sup>®</sup>

Polyplex Corporation Limited (PCL)

First Quarter FY 2019-20  
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 at a Glance

## Q1 2019-20 Highlights

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1,111 Cr Revenue +5% YoY

241 Cr (22% Margin) Normalized EBITDA +28% YoY

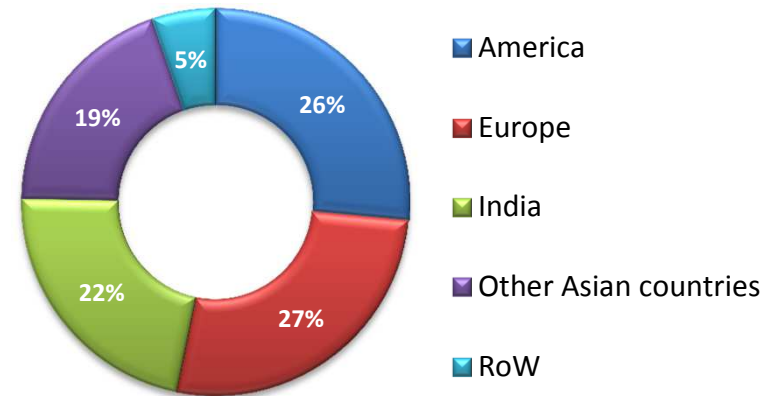
## Success Enablers

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- Global Presence 2100 + employees
- Diversified Product Portfolio Customer Intimacy
- Unique model of on-shore, off-shore & near shore manufacturing

## Business Mix (FY'18-19)

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- Global #6 by capacity of PET film
  - Speciality Focused
  - Significant Growth Capex
  - Liquid Balance sheet (D/E – Cash positive)

# Polyplex: A Global Presence

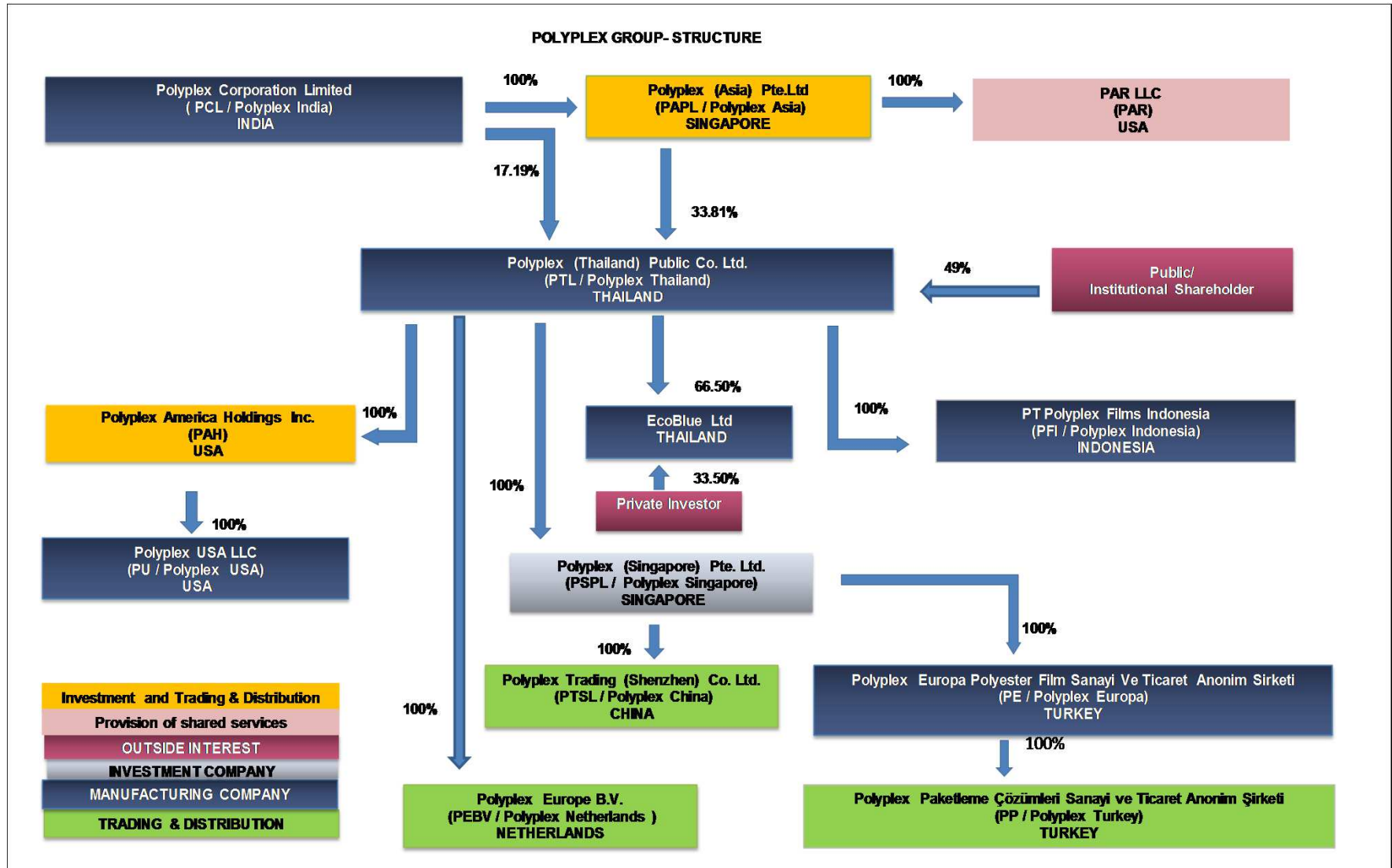


Six  
Manufacturing  
Facilities in 5  
Countries,  
Multiple  
warehouses  
and Liaison  
offices around  
the world

- ★ Group Manufacturing Locations
- ★ Upcoming Manufacturing Location
- Warehouse
- ▲ Trading Company / Representative Office



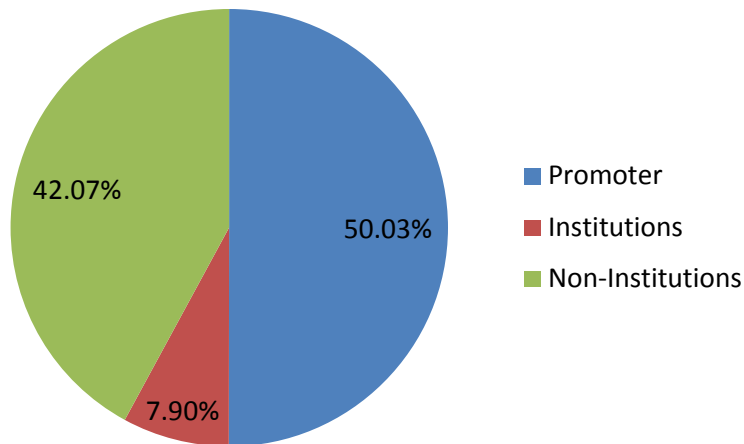
# Group Structure



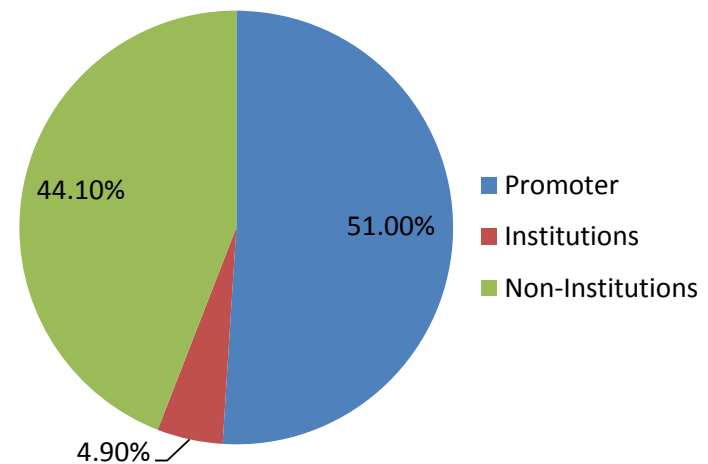
# Group Structure

- Polyplex Corporation Limited (PCL) is the Group Holding Company
- PCL's economic interest in the overseas businesses is 51%
- PCL listed on BSE/ NSE in India and the Thai subsidiary (PTL) on the Stock Exchange of Thailand (SET)
- Shareholding of the Company (as on 30<sup>th</sup> June 2019) is given below:

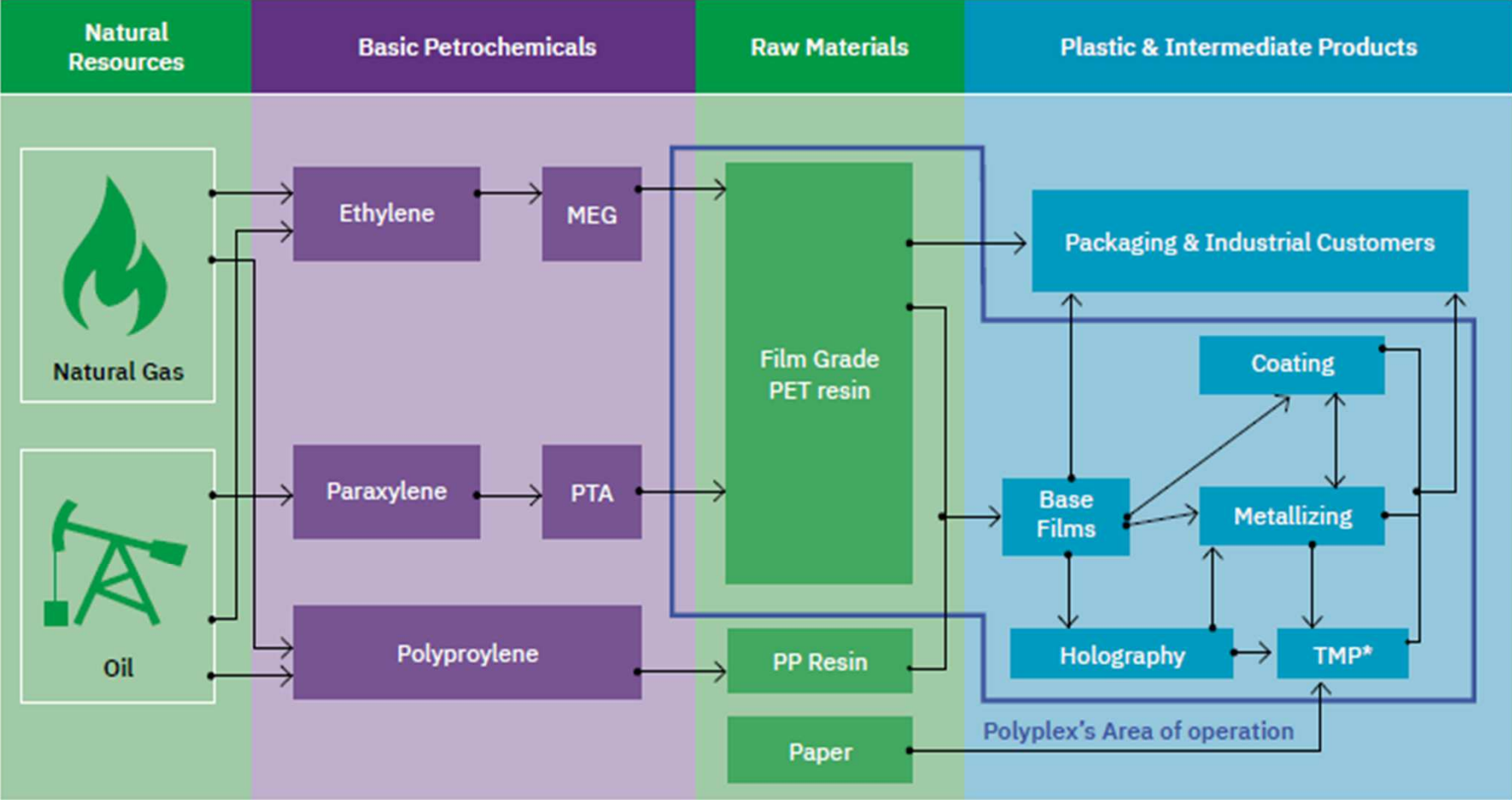
### PCL Shareholding



### PTL Shareholding



# Value Chain



\*TMP-Transfer Metallized Paper

PET Film is a versatile product with wide & growing range of applications.





# Product Applications & Sales Mix



# 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 (Million Sqm)	TMP (Million Sqm)
<b>P A R E N T</b> 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			
<b>U P C O M I N G</b> INDONESIA	73,000	44,000		60,000			6,000			
<b>Polyplex Group Consolidated</b>	<b>364,550</b>	<b>230,000</b>	<b>28,800</b>	<b>95,000</b>	<b>10,000</b>	<b>8,845</b>	<b>89,513</b>	<b>4560</b>	<b>1,411</b>	<b>83</b>

# Key Differentiators

## Geographical Diversification

- An India headquartered Company with a global manufacturing footprint
- Among the top Global Thin PET film producer with a unique business model combining On-shored, Off-shored and Near-shored facilities
- Manufacturing and distribution presence in key regional markets (India, Thailand, Turkey, USA and Indonesia) supplemented with warehouses in Netherlands, Poland, Spain, Germany, Mexico and Italy and liaison offices in Singapore, Malaysia, Korea and Japan
- Strong and deep relationships in an extensive customer base of 1780+ driven by wide product range, innovation, customer intimacy and quality

## Healthy Product Mix

- Range of Base Films (PET, BOPP, CPP and Blown PP) and downstream - coated (offline - general, extrusion and silicon), metallized & holography films and transfer metallized paper
- Range of thick PET films has helped capture the emerging high growth applications in industrial applications like Photovoltaic, Digital etc.
- Healthy pipeline of new products under advanced stage of product / application / business development to further increase HVA (High Value added) sales proportion
- Large Specialty portfolio & source of innovation for Customer

## Cost Efficient Operations & Assets

- Vertically integrated operations: captive raw material (PET Resin) providing greater cost control as well as product customization capabilities, portfolio of downstream products
- State of the art assets with economic size
- Latest technologies being used on extrusion, energy conservation, etc
- Assets located strategically in low cost regions on-shore or near-shore
- In order to enable economic usage of the older & less productive film lines, upgrades done / planned in several lines in India, Thailand and Turkey.
- Focus on continuous improvements (productivity and cost optimization)

# Key Differentiators

## Stable, Proven Management Team

- A management team with long experience in the industry and in the Group
- A workforce of 2100 + people including 250 professionals (Engineers, etc.)
- Systems created for cross learning, benchmarking and sharing best practices across various units/businesses within the Group

## Strong Financial Profile

- Sustainable operational EBITDA of US\$ 120 million+
- A strong & liquid Balance sheet with negative leverage (net cash positive)
- Favorable taxation regime

## Strong R&D capability

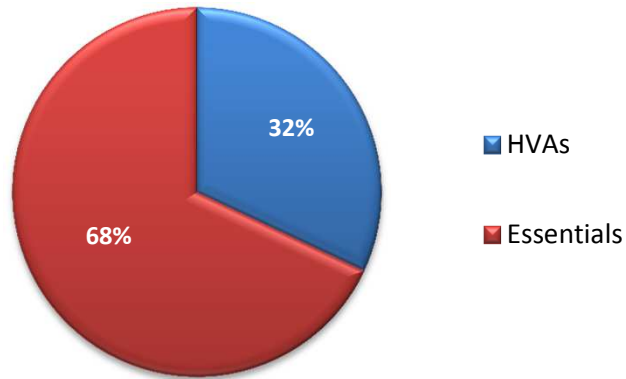
- A separate R&D department registered with the DSIR, Ministry of Science and Technology (India)
- Corporate R&D responsible to drive the Research and Development / Innovation at Group level
- Focus on providing innovative solutions/technical services to customers short term as well as long term point of view

## Platform for Growth

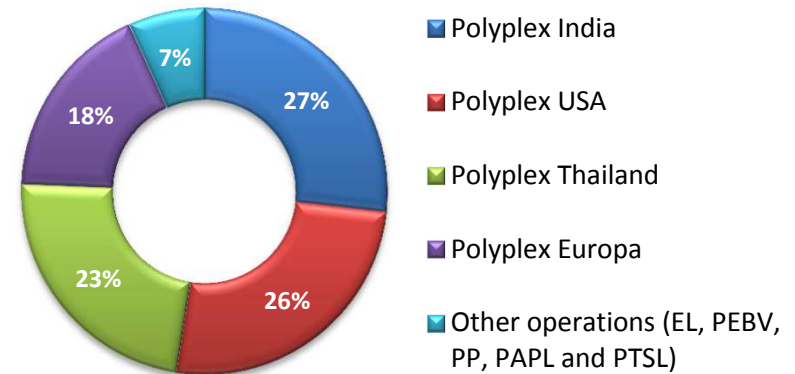
- Emerging high growth opportunities like Digital / Holography would present reasonably substantive & profitable growth opportunities
- Ongoing greenfield expansion & proposed brownfield expansion in Indonesia for PET & BOPP Film respectively
- Various projects under implementation for further enhancing the product portfolio
- Acquisition & industry consolidation opportunities

# Global Presence & Portfolio

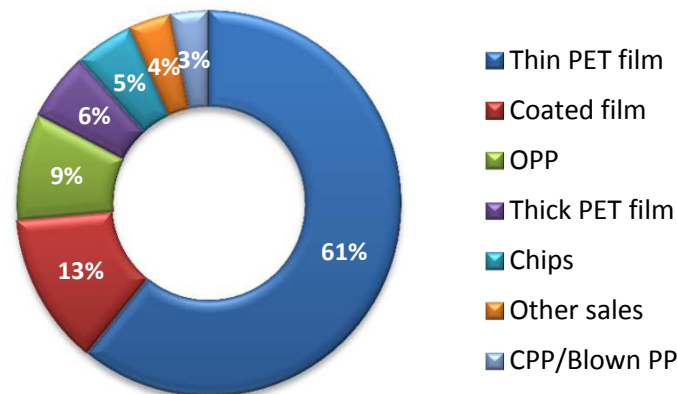
HVA share



Operating company-wise breakup of sales



Business segment-wise breakup of sales



Note: All figures are of FY' 2018-19

# New Investment - BOPP Line in Indonesia

- **Scope**

- 10.4 meter width
- 60,000 TPA Capacity
- 5 layer machine with in-line coating



Capital  
Investment -  
\$ 48 million

- **Rationale**

- Large Global Market - 2.25X of Thin PET Films
- Attractive Local Market - 4% CAGR
- Import Dependent with Duty Advantages
- Lower capital and operating cost due to co-location and higher output line
- PP/PE based structures are perceived to be easier to recycle and are expected to drive higher relative growth in consumption of BOPP Films



Completion  
time - 2  
years



# Q1 2019-20 Performance Snapshot

## Q1 2019-20 Summary

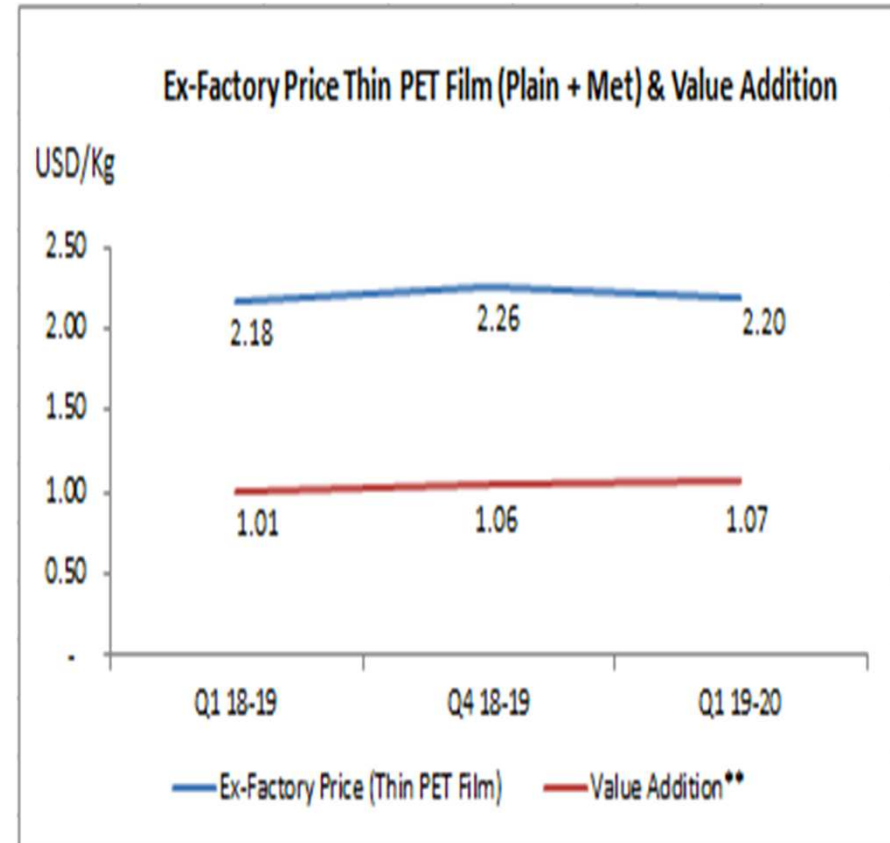
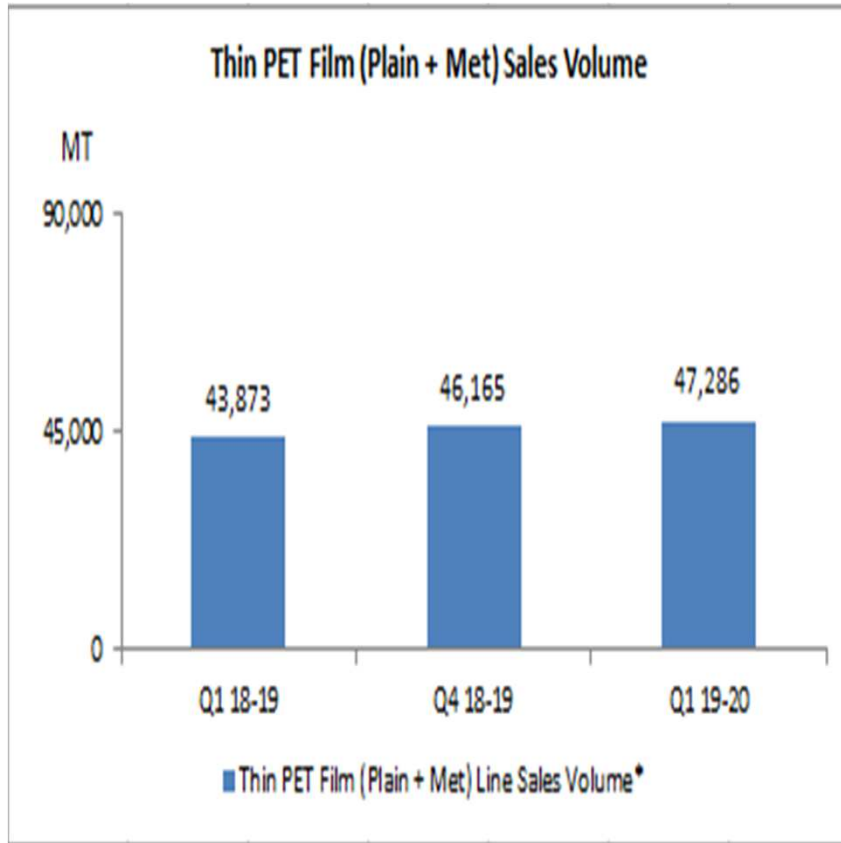
## QoQ Growth

## YoY Growth

<b>Sales Volume</b> (Plastic Film) 65,505 MT	Flat ↔	5.5% ↑
<b>Revenue</b> 1,111 INR Crores	-3.9% ↓	4.9% ↑
<b>Normalized EBITDA</b> 241 INR Crores	21.7% ↑	28.1% ↑
<b>PAT (Before Minorities)</b> 154 INR Crores	-12.9% ↓	33.7% ↑
<b>EPS 25.33 INR/Share</b>	-20.5% ↓	33.0% ↑

**2019-20 ROCE (Annualized) – 23.1%**  
**2019-20 ROE (Annualized) – 21.7%**  
(Excluding Cash & Bank Balance)

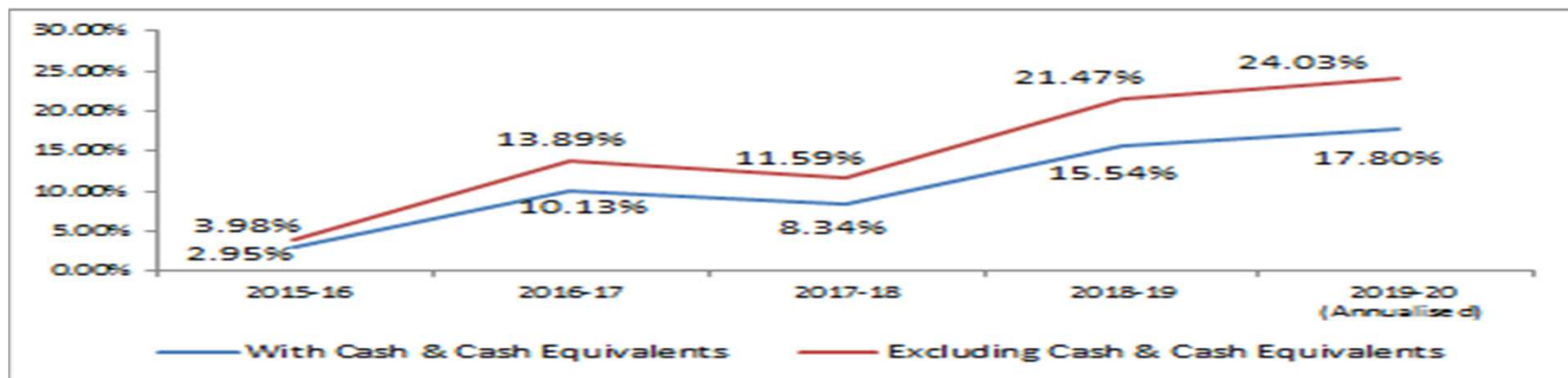
# Performance Snapshot



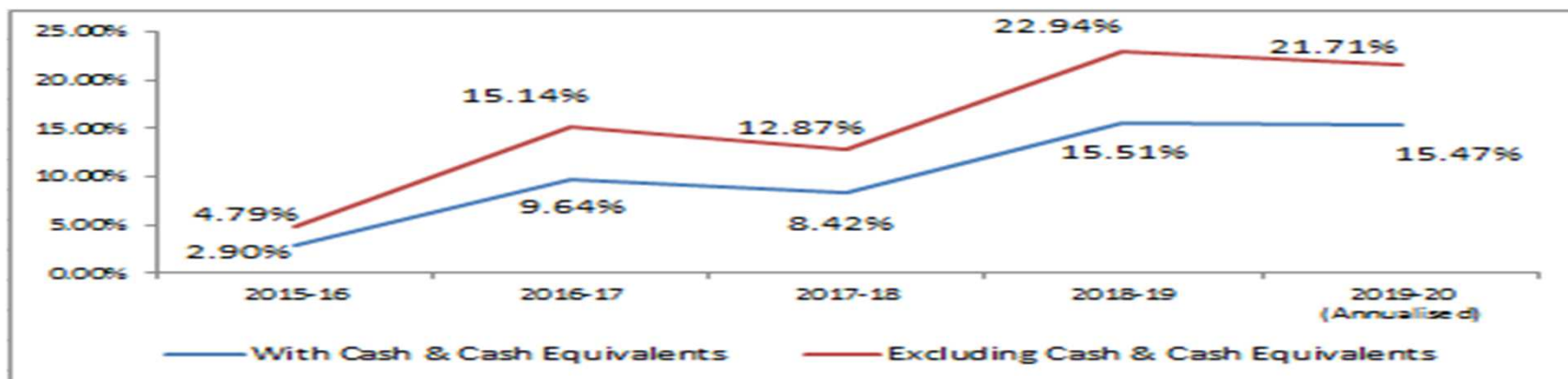
- \* Includes film transferred for Silicon/Extrusion coating but excludes sales of final product from these lines
- \*\* Over Raw Material

# Performance Snapshot

## ROCE



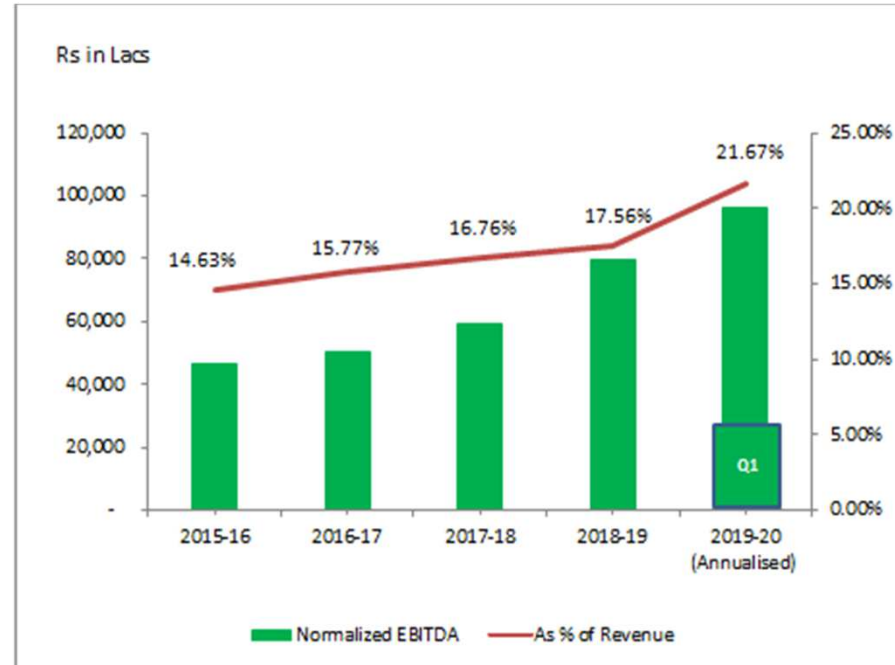
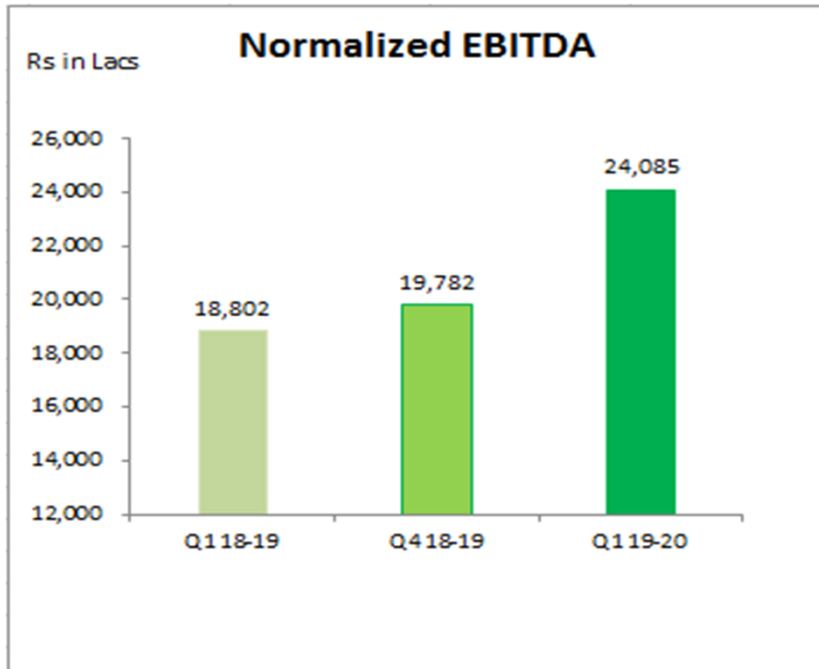
## ROE



ROCE (%) = EBIT (before exceptional items) as a % to average capital employed

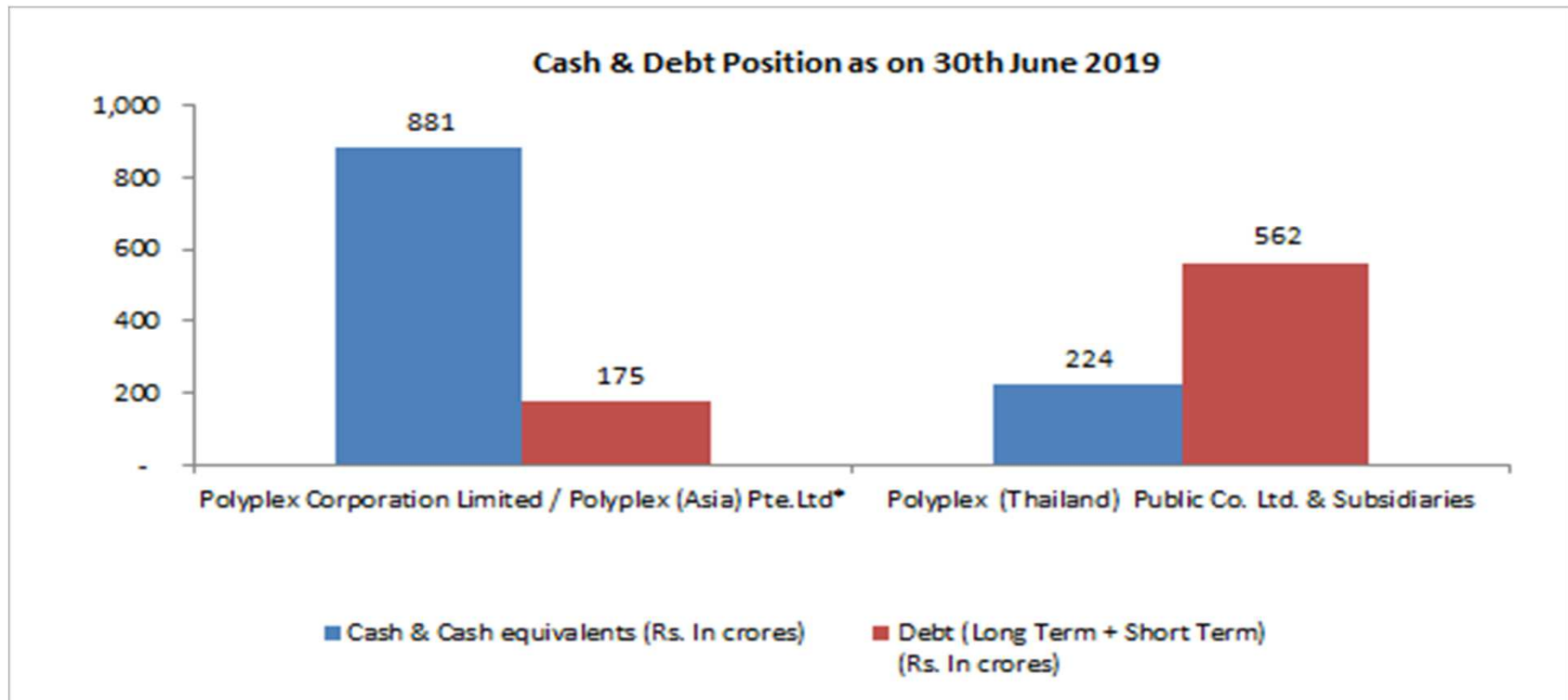
ROE (%) = PAT (before exceptional items) as a % to average equity

# Normalized EBITDA



- Normalized EBITDA : EBITDA excluding impact of FX gains/ losses on long term loan and other non-operational items.
- Revenue: Gross sales excl. export incentive.

# Group Cash & Debt Position



Note: \* Polyplex (Asia) Pte. Ltd (Singapore) is 100% owned by Polyplex Corporation Limited

# Update on ongoing Investments

## Indonesia : Greenfield Project

- **Capacity:**  
BOPET Film Plant – 44KTPA,  
Metallizer – 6KTPA,  
Resin Plant – 73KTPA
- **Estimated Start Up Date:**  
Film Plant – September 2019  
Metallizer – September 2019  
Resin Plant – November 2019
- **Project Cost within budget**





# Update on other ongoing projects

Holography - India	Metallizer – India	Saracote Line III- Thailand	New Offline Coater - Thailand	New Batch Plant - Turkey	Holography - Turkey
<ul style="list-style-type: none"> <li>•Capacity – 4,080 TPA</li> <li>•Capability for seamless as well as coated product</li> <li>•Applications – Decorative, Anti-Counterfeiting, Gift Wrap, Carton Lamination, Transfer Paper, etc</li> <li>•Four Holography lines already commissioned and balance will be commissioned in Q2 FY 2019-20</li> </ul>	<ul style="list-style-type: none"> <li>•Capacity – Approx. 6000 MT per annum</li> <li>•Capability for Holographic and Direct Paper Metallizing besides regular PET films</li> <li>•Expected Start up – Q3 2019-20</li> </ul>	<ul style="list-style-type: none"> <li>•Capacity – Approx. 50 million square meter/year</li> <li>•Micro gravure coating capability</li> <li>•Target markets: Die-cutting/Electronic s/Protective films for displays, Window Film Liner etc.</li> <li>•Expected Start up – Q2 2019-20</li> </ul>	<ul style="list-style-type: none"> <li>•Capacity – 1680 MT per annum</li> <li>•High value added Specialty Films</li> <li>•Expected Start up – Q2 2019-20</li> </ul>	<ul style="list-style-type: none"> <li>•Capacity – 18,250 MT/annum</li> <li>•To meet Silica &amp; Specialty Resin requirement</li> <li>•Expected start up – Q1 FY 2020-21</li> </ul>	<ul style="list-style-type: none"> <li>•Capacity – 480 MT/annum</li> <li>•Expanded product basket – specialty products</li> <li>•Expected start up – Q3 FY 2019-20</li> </ul>

The Company has successfully commissioned a laminating machine in Q1 FY 2019-20 to facilitate Transfer metallized paper business.

Apart from the above projects, the Company has taken up various up gradation projects.

## Summary Status - Projects

Projects	Location	In K'USD	
		Capital Cost	Likely Start Up
GreenField - BOPET	Indonesia	80,000	Q2 FY 2019-20
BrownField - BOPP	Indonesia	48,000	H1 FY 2021-22
Other projects	India	10,500	Upto Q4 FY 2019-20
	Overseas	14,500	Upto Q2 FY 2020-21
<b>Total</b>		<b>1,53,000</b>	

In addition to the above, normal maintenance Capex is generally in the range of USD 5-6 million.

# Industry Outlook – PET film

## New Capacities

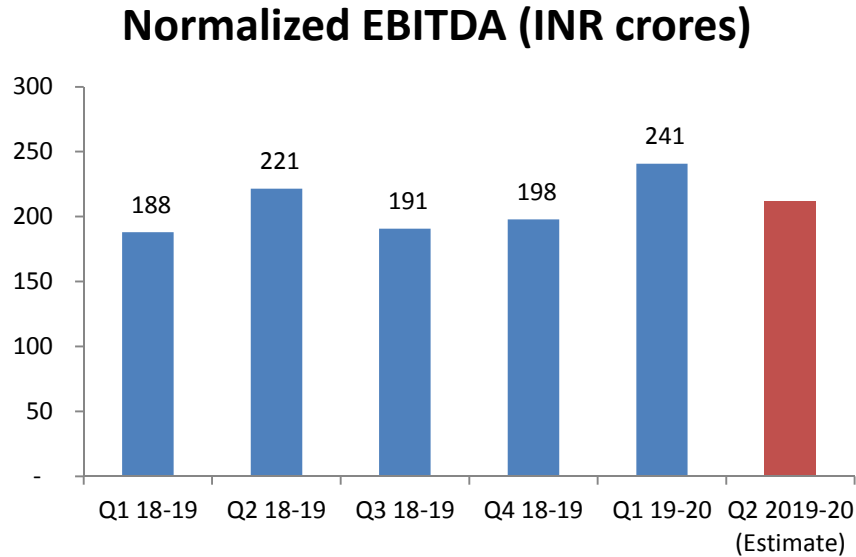
- Globally, several new thin Film lines are expected to be added in the next two years, increasing the global capacity base by approx. 900K TPA
- This may temporarily upset the demand supply balance and margins may come under pressure. This may vary across key regional markets with Europe likely to be impacted most.
- Upgraded technology (10.6 mtr wide line) and concerns on sustainability remain a long term threat for the industry players
- RM trending towards oversupply scenario
- Changing cost dynamics may result in closure / underutilization of older lines

## Polyplex – Key points

- Leverage our local presence in various geographies – Quick turnaround, urgent delivery, onshore and near-shore services, customer relationship and intimacy
- Offer wide range of products
- Focus on specialty and high value added products thus making earnings more predictable
- Likely impact on margins in FY 2020-21 and FY 2021-22 to be made up by contribution from new capacities and improvement in product portfolio
- Low cost structure (on DDP basis) helps sustain competitive advantage

**Polyplex CUF maintained at about 100% even when Industry CUF was 70%-80%**

# Second Quarter 2019-20 Guidance



Higher margins in Q1 due to RM dip, expected to normalize in Q2

The forward-looking statements reflect Polyplex’s expectations of its Q2 earnings. These are based on certain assumptions as on date and are subject to significant risks and uncertainties, as they could be substantially influenced by several factors which are beyond Company’s control including, but not limited to, fluctuations in foreign exchange rates, changes in key raw material prices, changes in market dynamics, impact of consolidation of subsidiaries and any unexpected production down times due to machinery break down, unforeseen delays in project start up etc. The Company does not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will actually be achieved.

# Sustainability & Polyplex

## Portfolio

- Minimize product impact through optimized product design:
  - Down-gauging 8-10 $\mu$
  - RPET with up to 90% PCR content
  - BioPET - Bio content 30%
  - Biodegradable film
  - Co-create design using principles of circular economy
- Create mono material (Low SIT heat sealable PET) structures to improve recyclability
- Create compostable film

## Operations

- Increase Sustainable Sourcing
  - Use recycled material
  - Use biomaterials (MEG)
- Reduce energy and water consumption
- Effective and efficient waste water treatment and water conservation
- Increase usage of renewable energy
- Recycle Post Industrial and Post Consumer Waste
- Focus on latest technologies to save power costs
- Reduced greenhouse gas generation by using husk-fired heaters at Indian facilities

## Collaborations

- Support development and modernization of plastic waste management infrastructure (Collection, segregation and recycling)
- Play catalyst and leadership role in engaging the industry in sustainability efforts - both plastic waste and climate change
- Collaborate with recyclers in Europe to recycle Multi Layer Plastics (MLPs)

Thank You