

September 25, 2019

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

Dear Sir(s),

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

**Ref: Investor Presentation - September 2019**


The Management of the Company plans to make Investor Presentation on September 26, 2019 at Mumbai.

A Copy of the presentation is enclosed for the information of all the stakeholders.

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)

Encl: as above

**Polyplex Corporation Limited**  
(CIN: L25209UR1984PLC011596)

# **POLYPLEX**

## **Polyplex Corporation Limited (PCL)**

IR Presentation  
September 2019



# 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

## FY 2018-19 Highlights

4,545 Cr +28% YoY

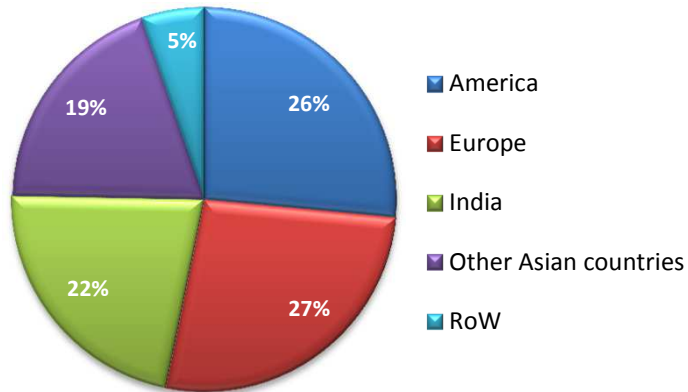
798 Cr (18% Margin) +34% YoY  
Normalized EBITDA

## Q1 2019-20 Highlights

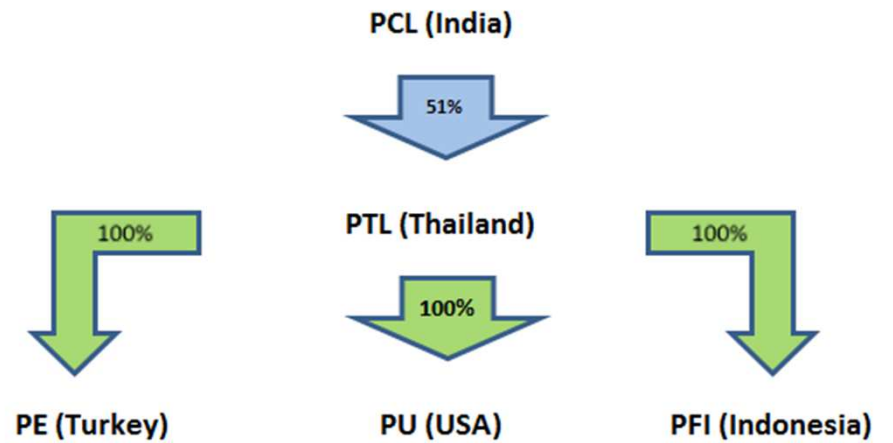
1,111 Cr +5% YoY

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

## Business Mix (FY 2018-19)



## Polyplex Group Structure



Covers only manufacturing locations

**POLYPLEX**

# Success Enablers



Global leadership position with industry leading scale & cost



*Continuous and high growth in demand*



Strong financial & operational track record



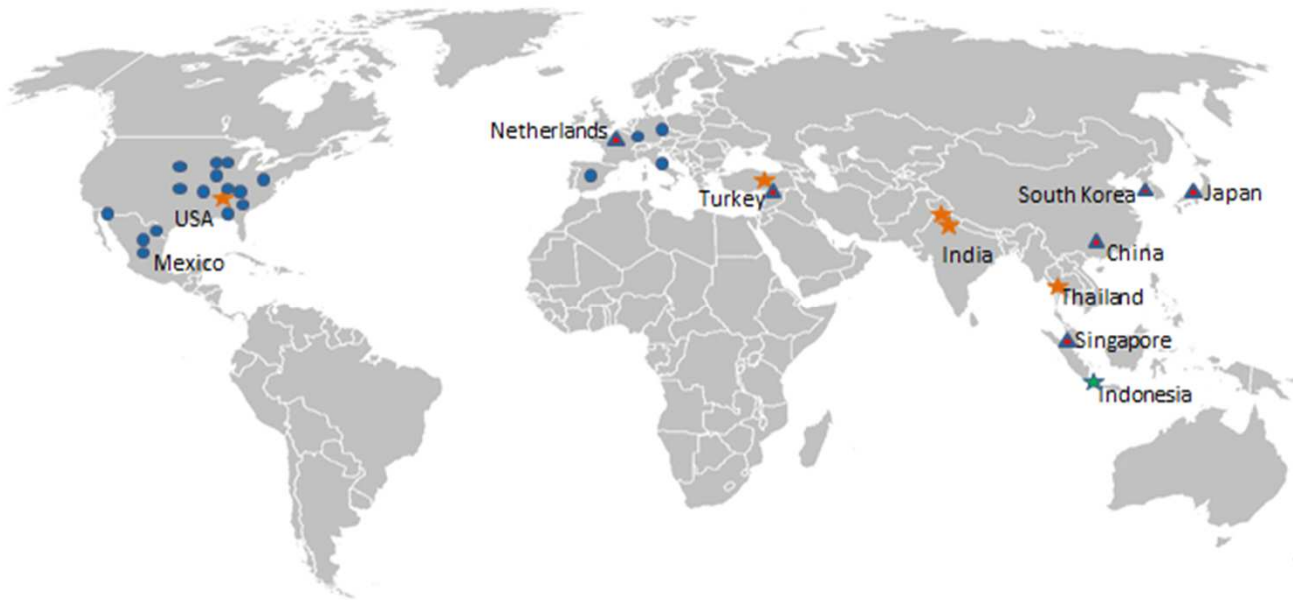
Stable earning across business cycles



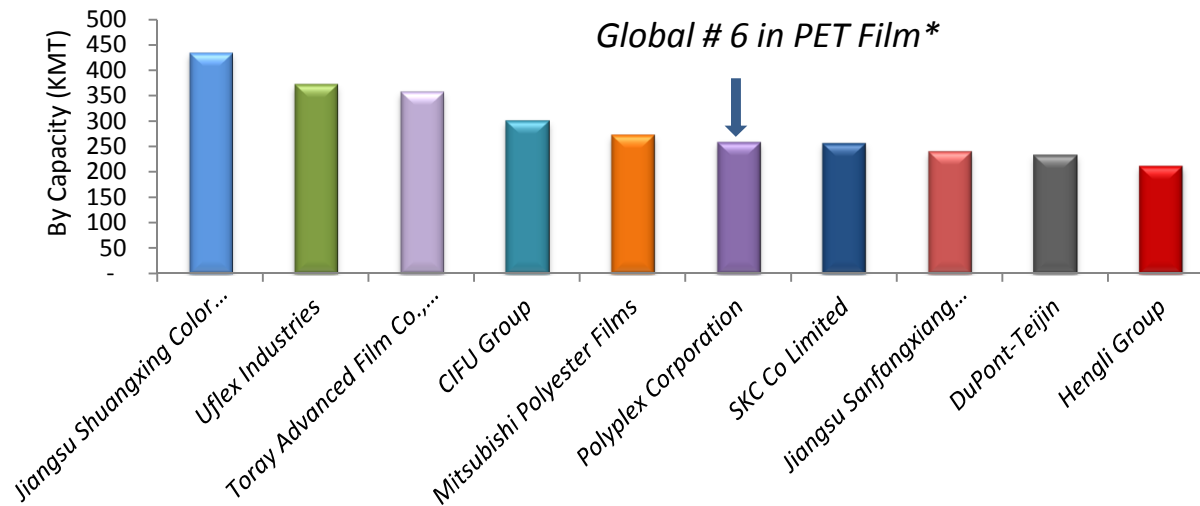
Stable & proven Management team

*Global leadership position with industry  
leading scale & cost*

# Global Leadership



Unique model of on-shore, off-shore & near shore manufacturing

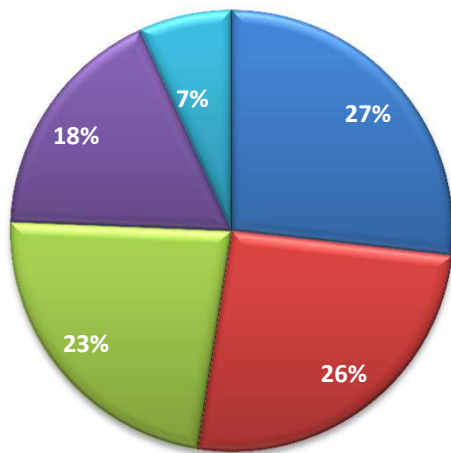


Six Manufacturing Facilities in 5 Countries,  
Multiple warehouses and  
Liaison offices around the world

\*Including all industry upcoming capacity in 2019

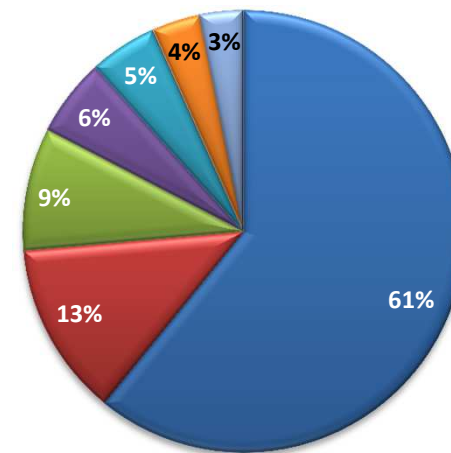
# Global Presence & Portfolio

Operating company-wise breakup of sales  
FY 2018-19



- Polyplex India
- Polyplex USA
- Polyplex Thailand
- Polyplex Europa
- Other operations (EL, PEBV, PP, PAPL)

Business segment-wise breakup of sales  
FY 2018-19



- Thin PET film
- Coated film
- OPP
- Thick PET film
- Chips
- Other sales
- CPP/Blown PP

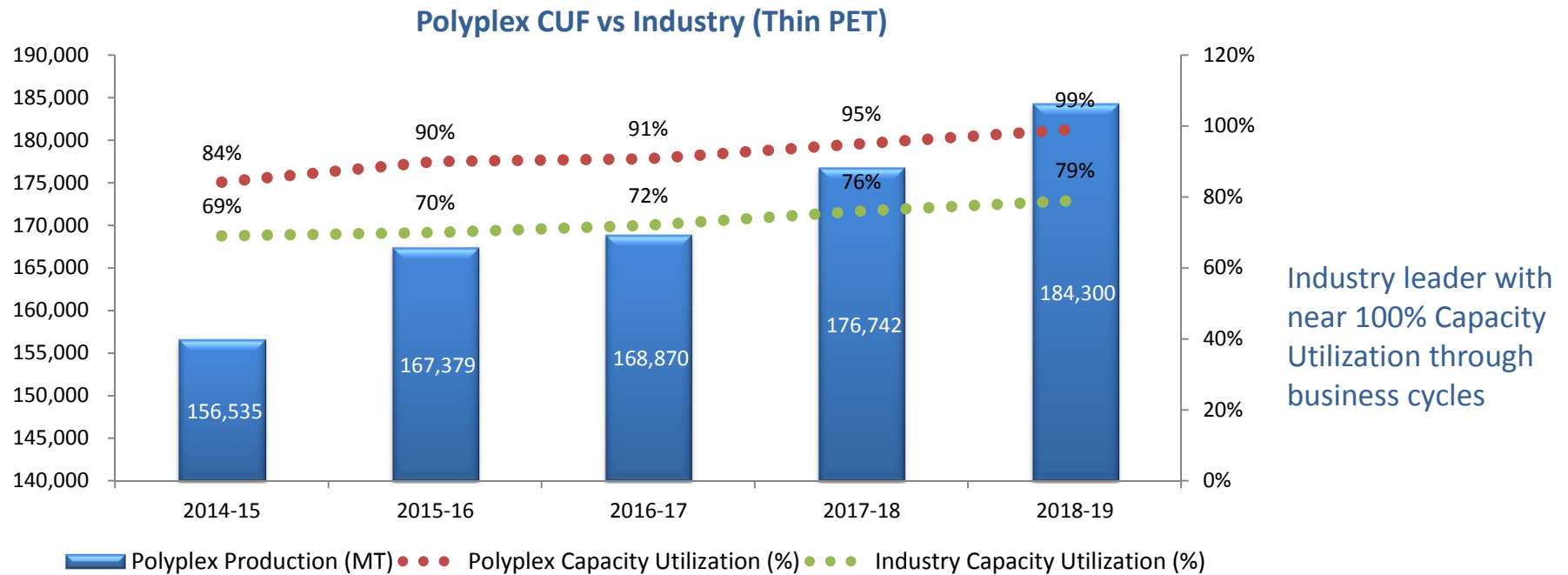


# Industry leading scale & vertical integration

|                                     | 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><br>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><br>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>         |



# Industry leading cost structure



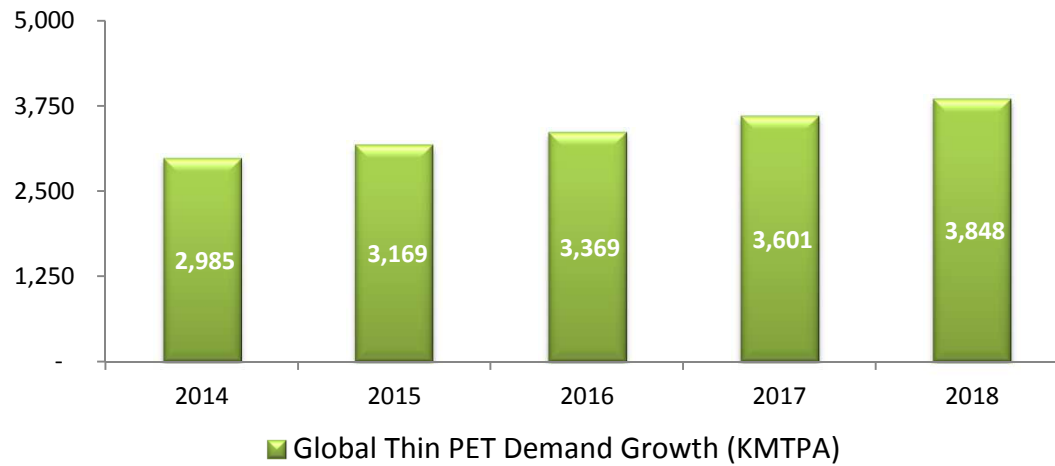
- Globally one of the lowest cost manufacturers, driven by scale economies, operational excellence, vertical integration and strategic manufacturing locations.
- Tax leadership through favorable tax regime

*\*Industry CUF as per CY, Polyplex CUF as per FY*



*Continuous and High Growth in Demand*

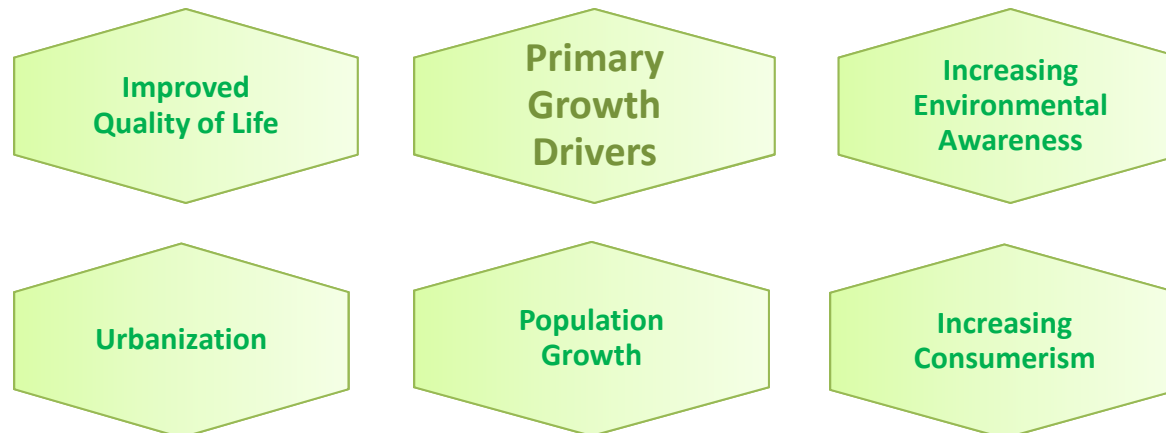
# Global Demand Growth



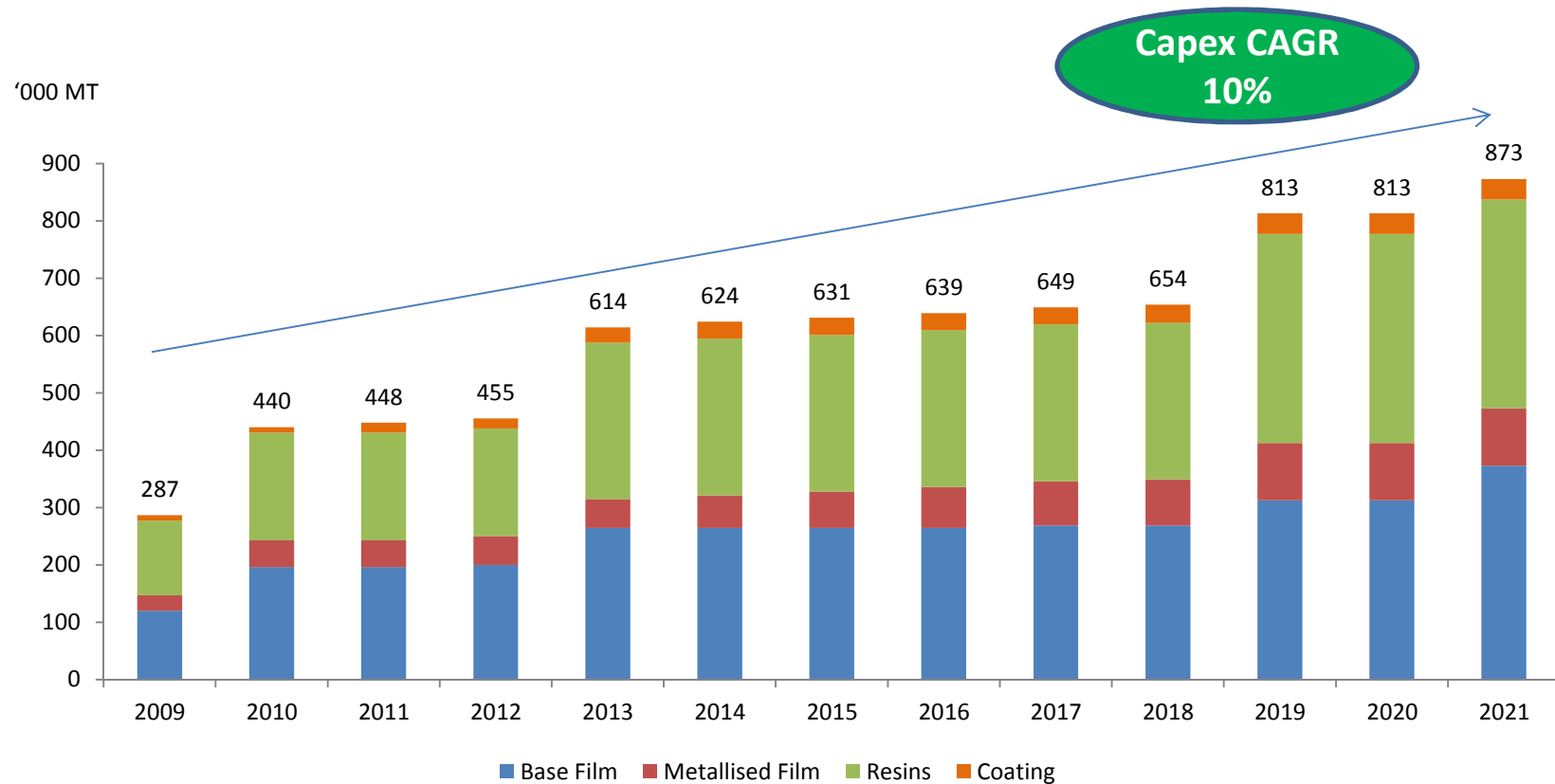
Core flexible packaging application end- use consistently growing at 6-7% due to design versatility, cost advantage, resource economy, low carbon footprint, cost advantage and retail format / packaging innovations

Core flexible packaging demand driven by greater penetration of flexible packaging formats apart from growth in end user demand.

Versatility and high performance of polyester film lends itself to a wide range of 100+ applications in both industrial & consumer staples and consumer discretionary sector



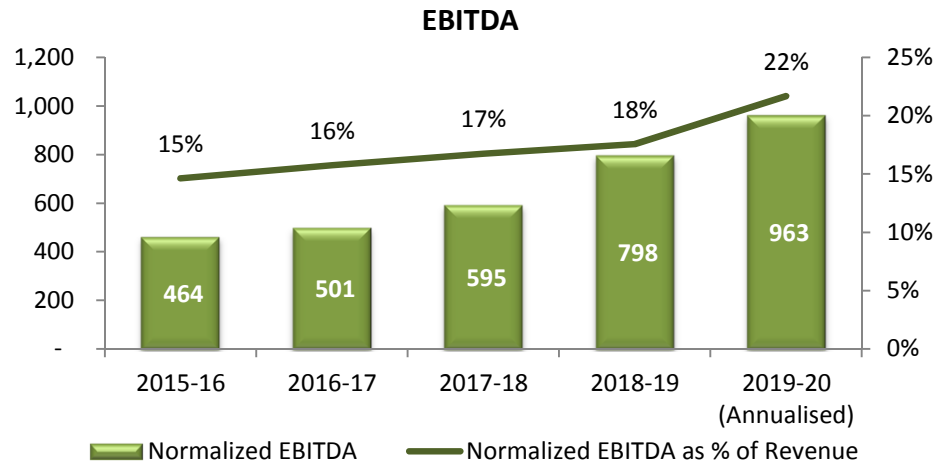
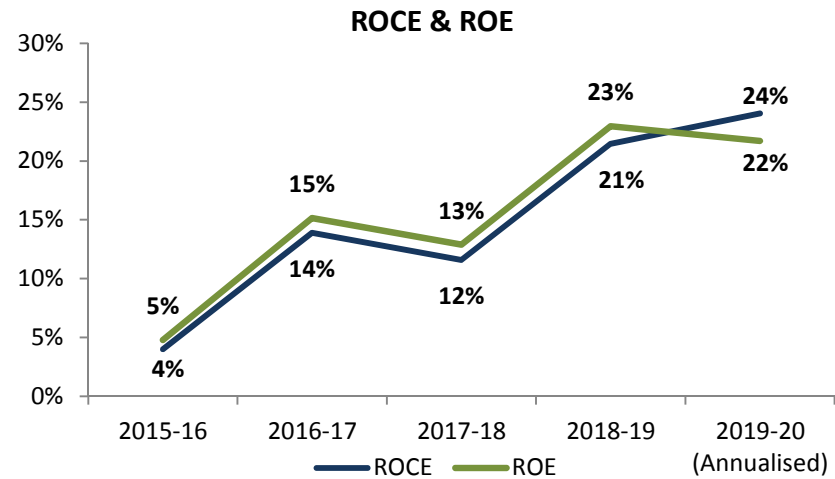
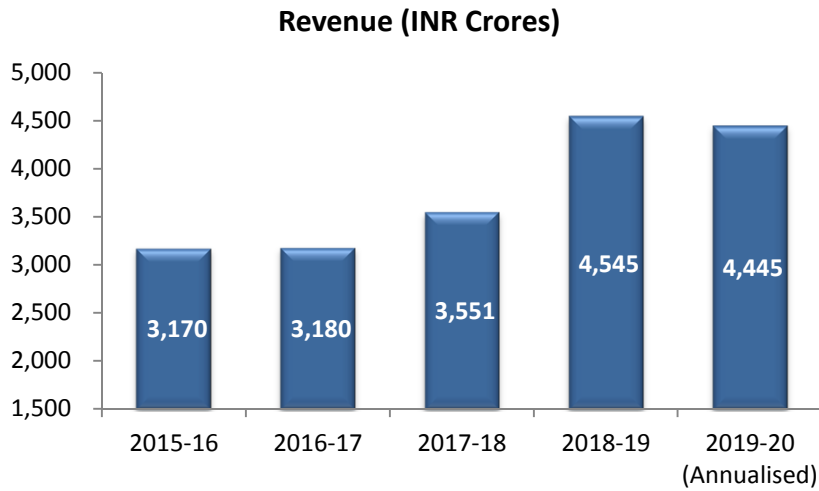
# Continuous Growth



Polyplex growth more than the average market growth rate

*Strong financial & operational  
track record*

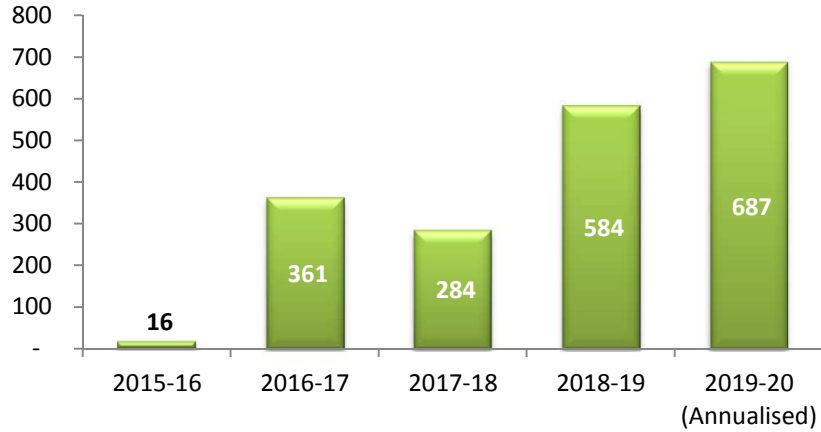
# Strong Financial Performance



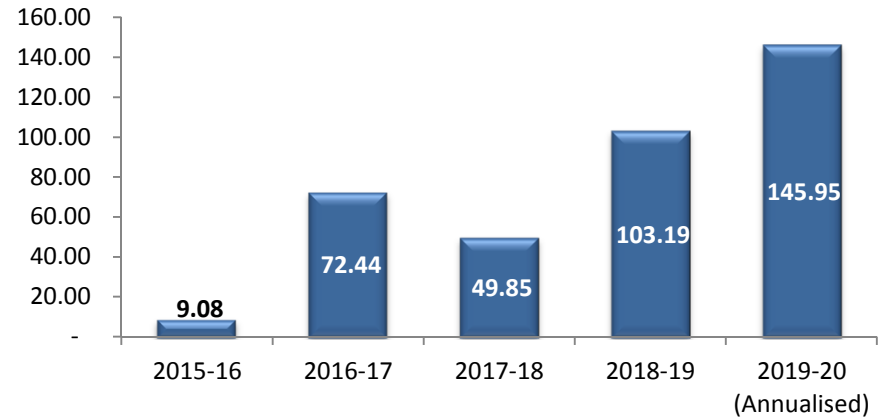
Normalized EBITDA: EBITDA excluding impact of FX gains/ losses on long term loans and other non operational items  
 ROCE & ROE is excluding Cash & Cash Equivalentents

# Strong Financial Performance

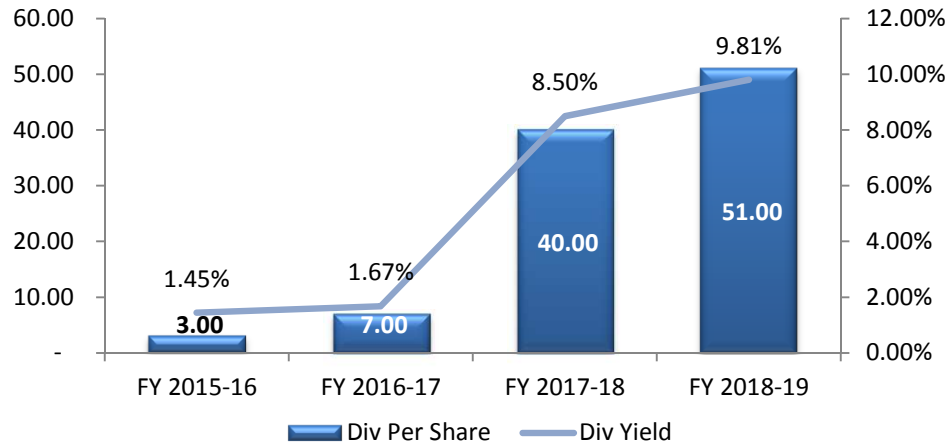
**PAT (INR Crores)**



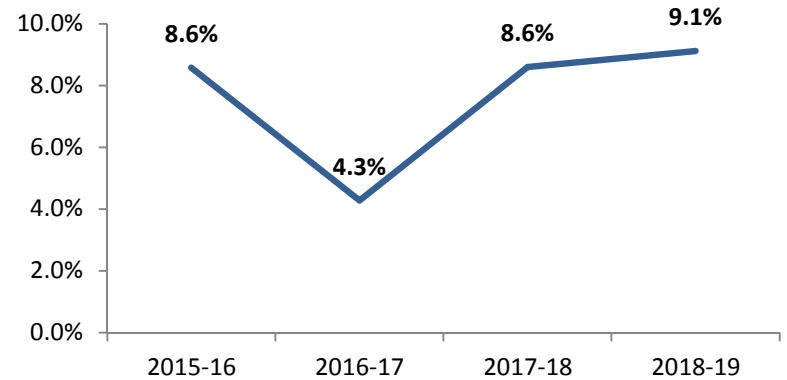
**EPS (Rs/Share)**



**Dividend**



**Effective Tax rates**



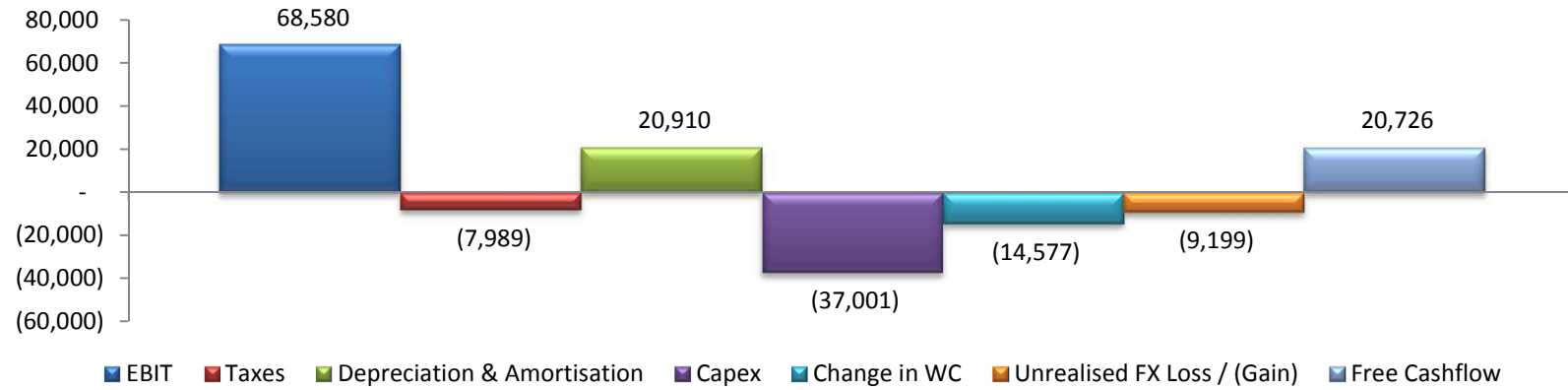
*This excludes the taxation impact on special dividend paid in FY 2018-19*



# Free Cash Flows

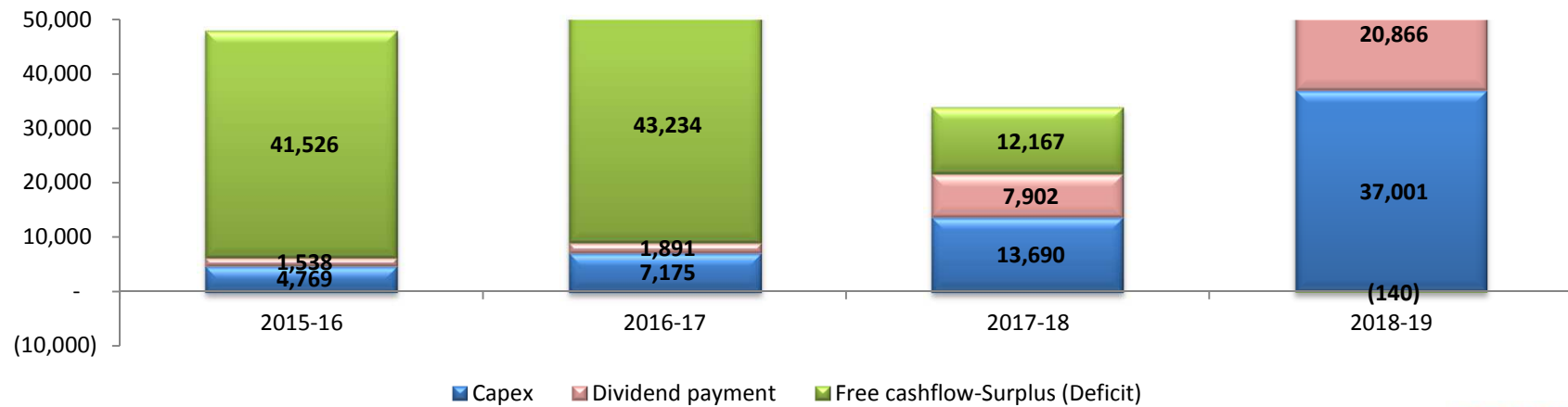
FY 2018-19

INR in Lacs

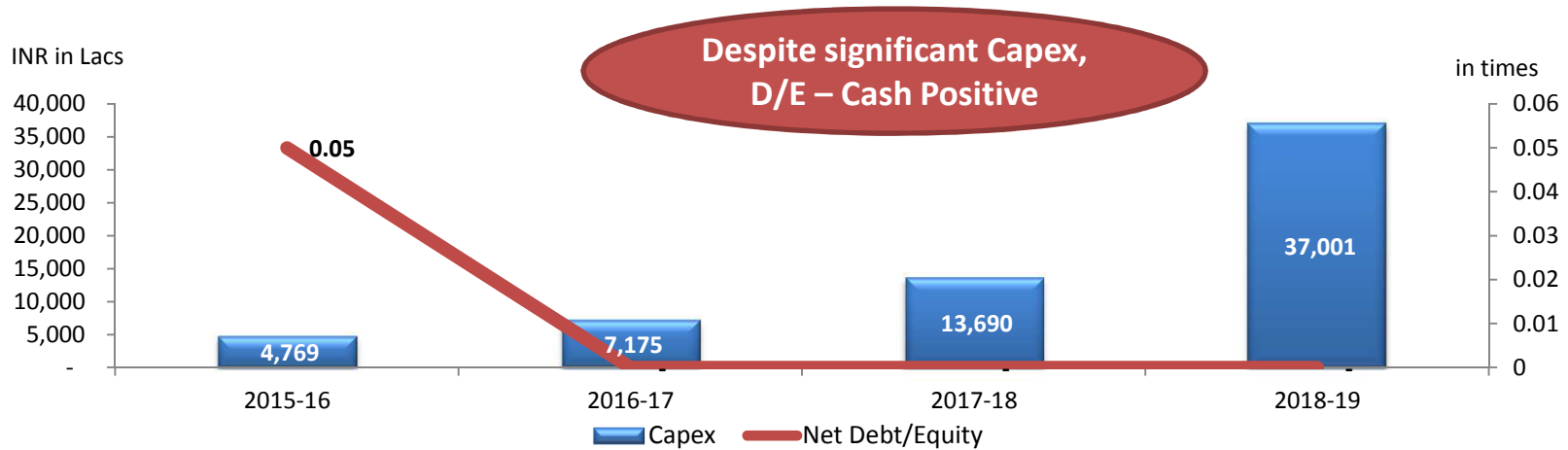


INR in Lacs

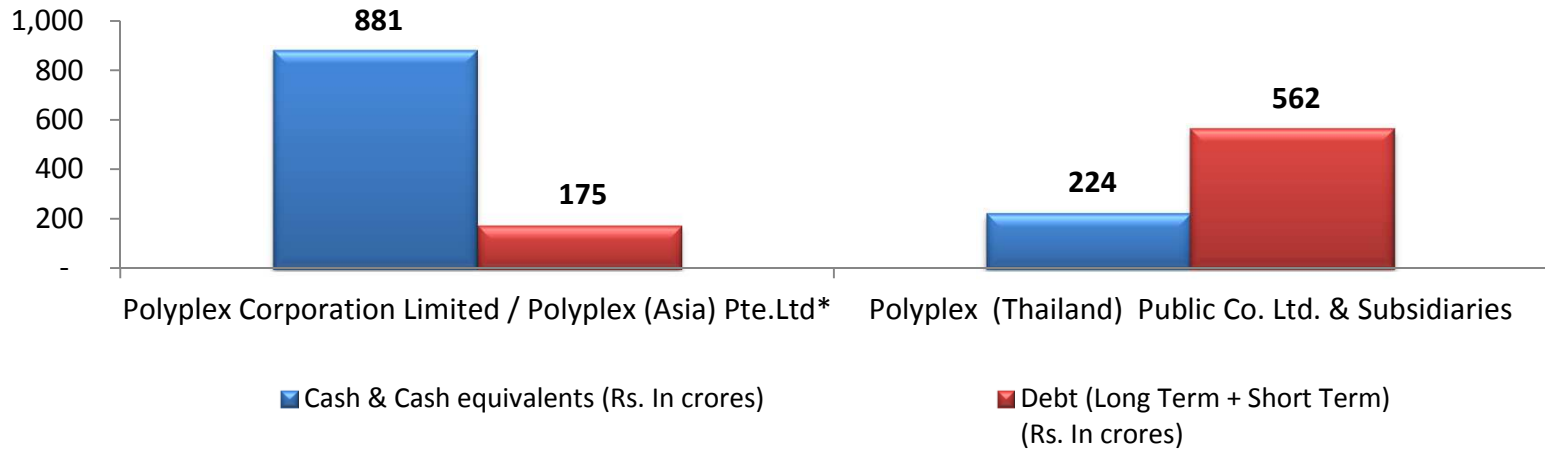
## Operating Cash Flow Deployment Trend



# Strong Liquidity



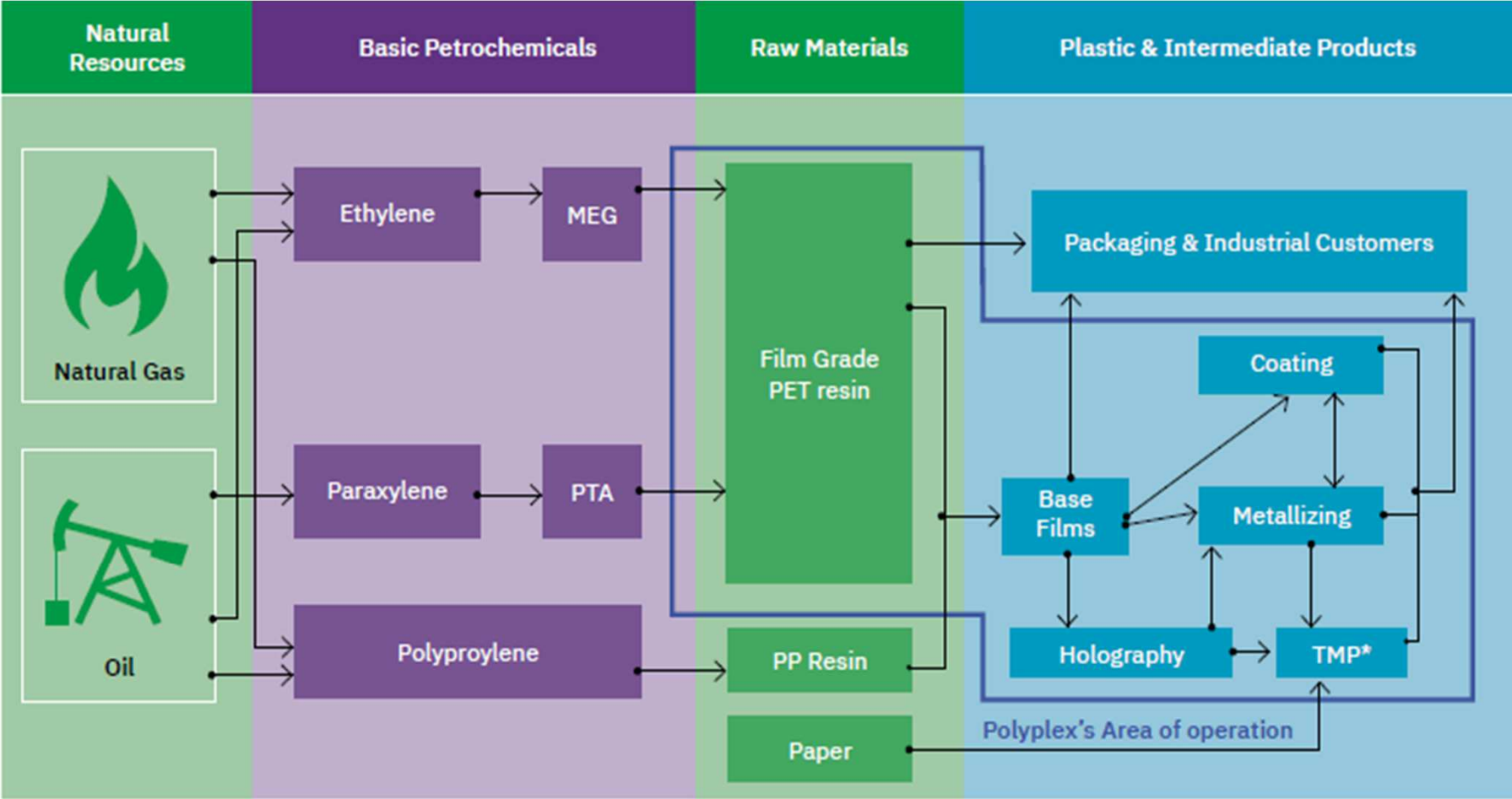
## Cash & Debt Position as on 30th June 2019



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

*Stable earning across business cycles*

# Value Chain



\*TMP-Transfer Metallized Paper

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



# Product Applications & Sales Mix



# Strong R&D Capability



A separate R&D department registered with the Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology (India)



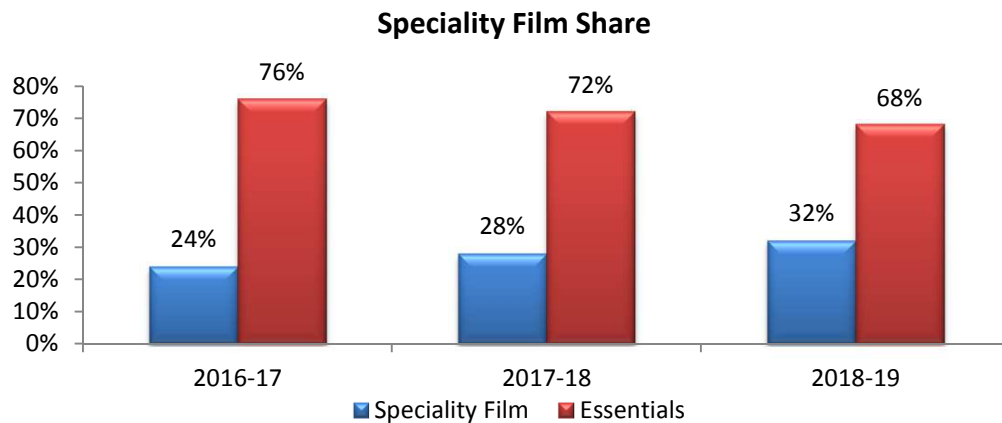
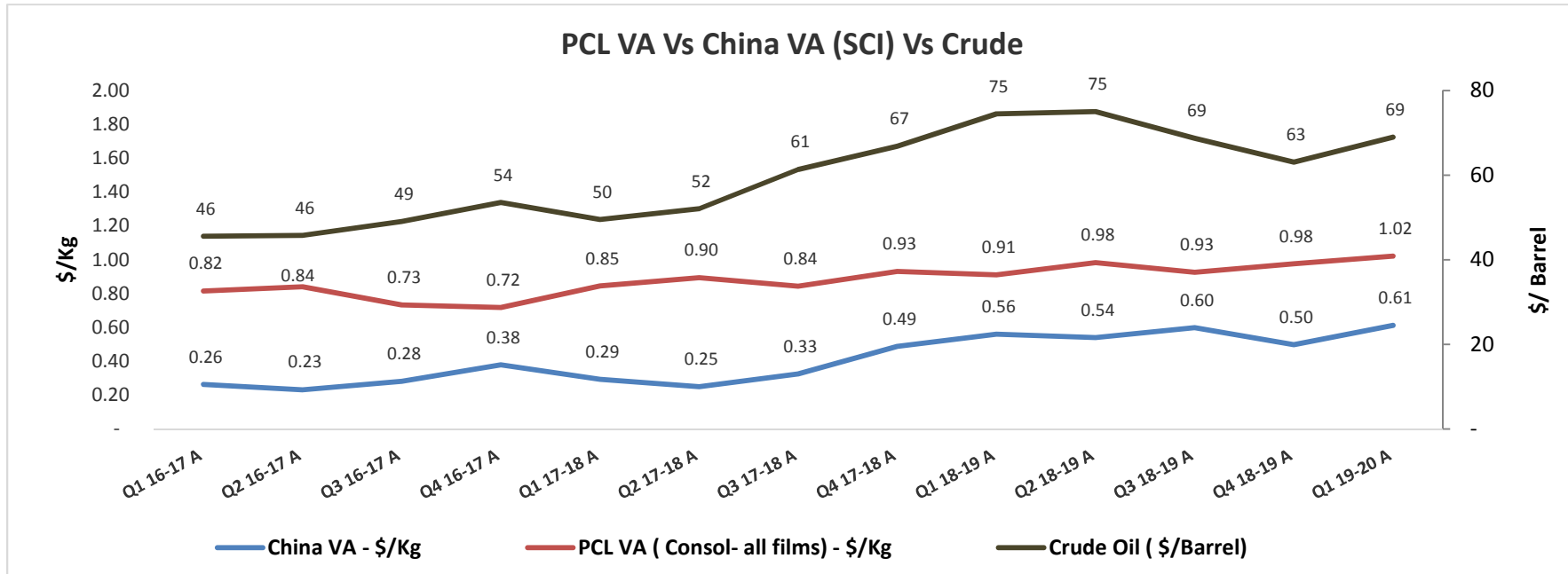
18+ dedicated personnel having significant experience in chemicals, coatings, resin, customer process and other relevant fields



Focus on providing innovative solutions to customers. Collaborative Research with govt. labs and educational institutes

**15 Patents Granted**

# VA Stability

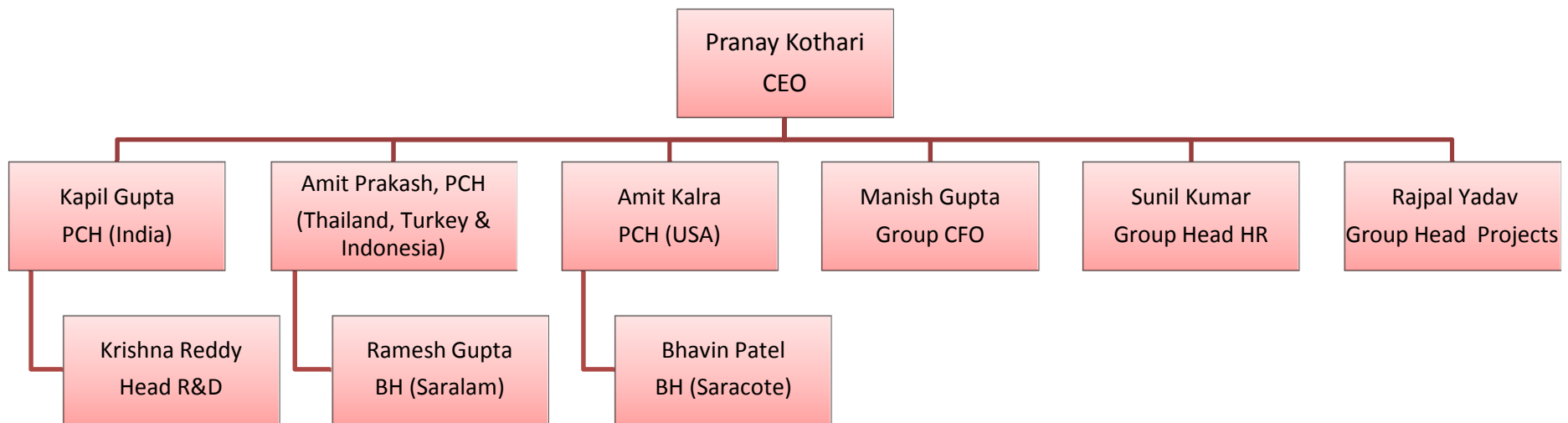


- Stable VA despite crude price volatility
- Increasing proportion of Specialty Film helps sustain superior margins

*Stable & proven Management team*



# Management Team



- The business is managed on a profit center concept with each unit in a geography headed by a Profit Centre Head (PCH) and supported by functional specialists.
- Some of the smaller downstream businesses are headed by Business Heads (BH)
- Finance, Human Resource, Procurement, Research & Development, Information Technology and Projects are Corporate Functions providing necessary oversight and know-how across the Group
- CEO is responsible for the overall business and reports to the Board
- Mr. Ranjit Singh, ex-COO, and Director of PCL for several years is associated again as an Independent Director.

# Polyplex & Sustainability

## 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

Target Products:

- Co-create design using principles of circular economy
- Create mono material (Low SIT heat sealable PET) structures to improve recyclability

## Operations



- Reduce energy and water consumption
- Effective & efficient waste water treatment & water conservation
- Increase usage of renewable energy
- Recycle Post Industrial and Post Consumer Waste

- Increase Sustainable Sourcing
- Use recycled material
- Use biomaterials (MEG)

## 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)

# Industry Outlook

## SUPPLY

- Approx. 0.9 Million Tons Of Capacity To Be Added In Thin PET By 2022 Globally
- Capacity To Be Added Every Quarter
- Margin Disruption Expected Temporarily While Market Absorbs Added Supply
- Changing cost dynamics may result in closure/ underutilization of older lines

## DEMAND

- Demand Expected To Grow At A Global Rate Of 4-6%
- In Asia 7-10%
- Europe 2-3%
- USA 4-5%
- Improving Industry CUF Despite Expected Capacity Additions

## 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

# Capex Growth Plans

|                    |           | In K'USD       |                    |
|--------------------|-----------|----------------|--------------------|
| Projects           | Location  | 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>153,000</b> |                    |

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

*Thank You*