

February 13, 2020

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

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

**Ref: Investor Presentation – December 2019-Q3 Financial Results**

The Management of the Company plans to make Investor Presentation to Institutional Investors on February 14, 2020 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)

## **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)  
February 13, 2020

Third Quarter FY 19-20  
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 regard 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.
- Numbers for previous periods may have been regrouped/rearranged/reworked for comparison purpose and for better analysis.

# Polyplex: At a Glance

## Q3 19-20 Highlights

**1,084 Cr**  
Sales Revenue#

**Flat** **-7%**  
QoQ YoY

**236 Cr**  
Normalized EBITDA\*  
**(22% EBITDA Margin)**

**+9%** **+25%**  
QoQ YoY

# Excludes other operating revenues

\* Normalised EBITDA: EBITDA excluding impact of unrealized FX gains/ (losses) on long term loans

## YTD 19-20 Highlights

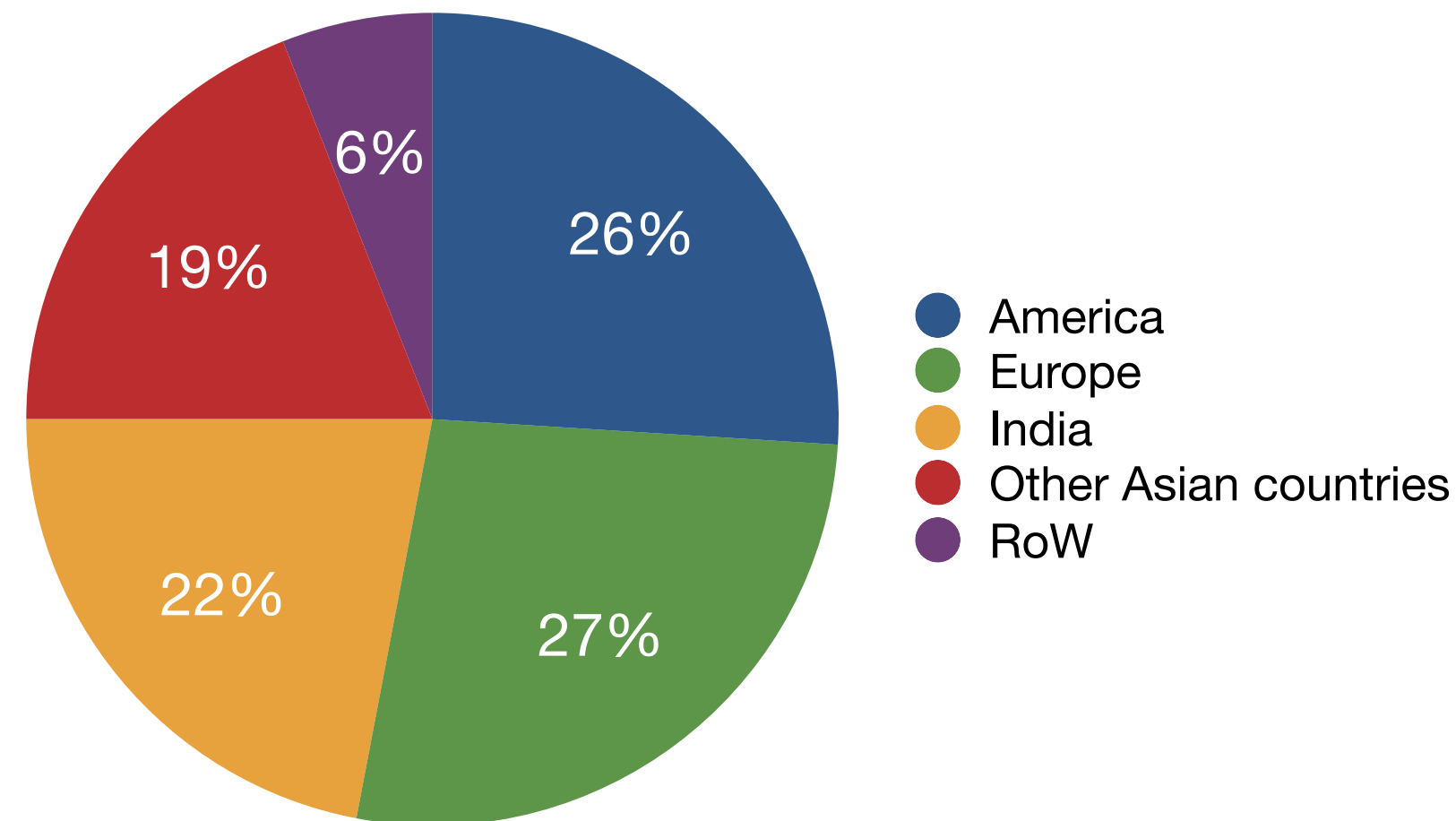
**3,279 Cr**  
Sales Revenue#

**-3%**  
YoY

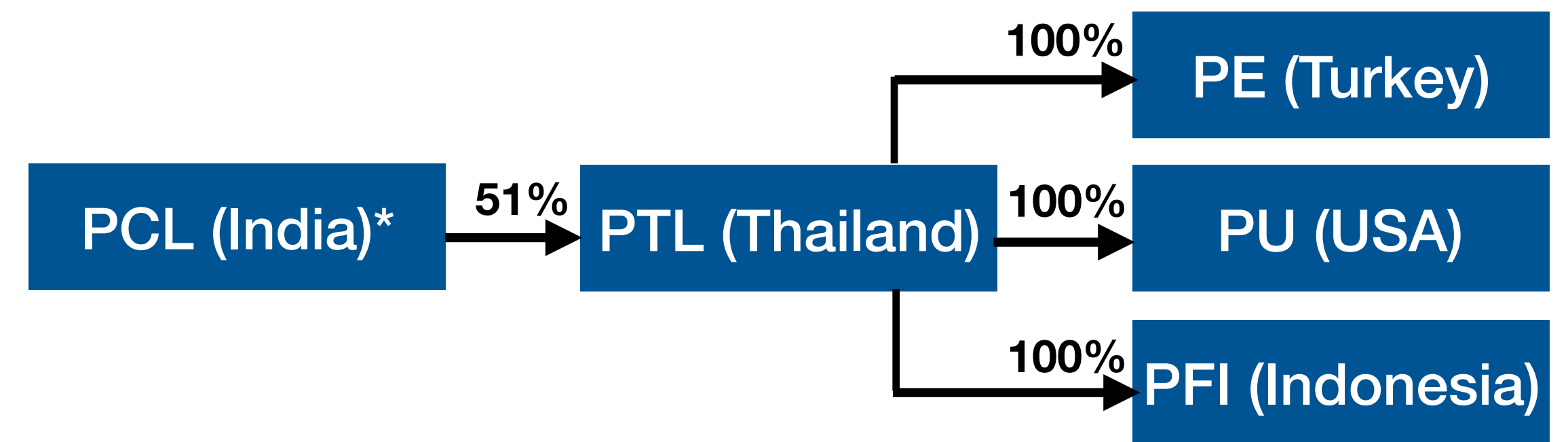
**695 Cr**  
Normalized EBITDA\*  
**(21% EBITDA Margin)**

**+15%**  
YoY

## Business Mix (YTD 19-20)



## Polyplex Group Structure



\* Including WOS

Covers only manufacturing locations

# Success Enablers



**Global leadership position with industry leading scale & cost**



**Strong financial & operational track record**



**Continuous and high growth in demand**



**Stable earning across business cycles**

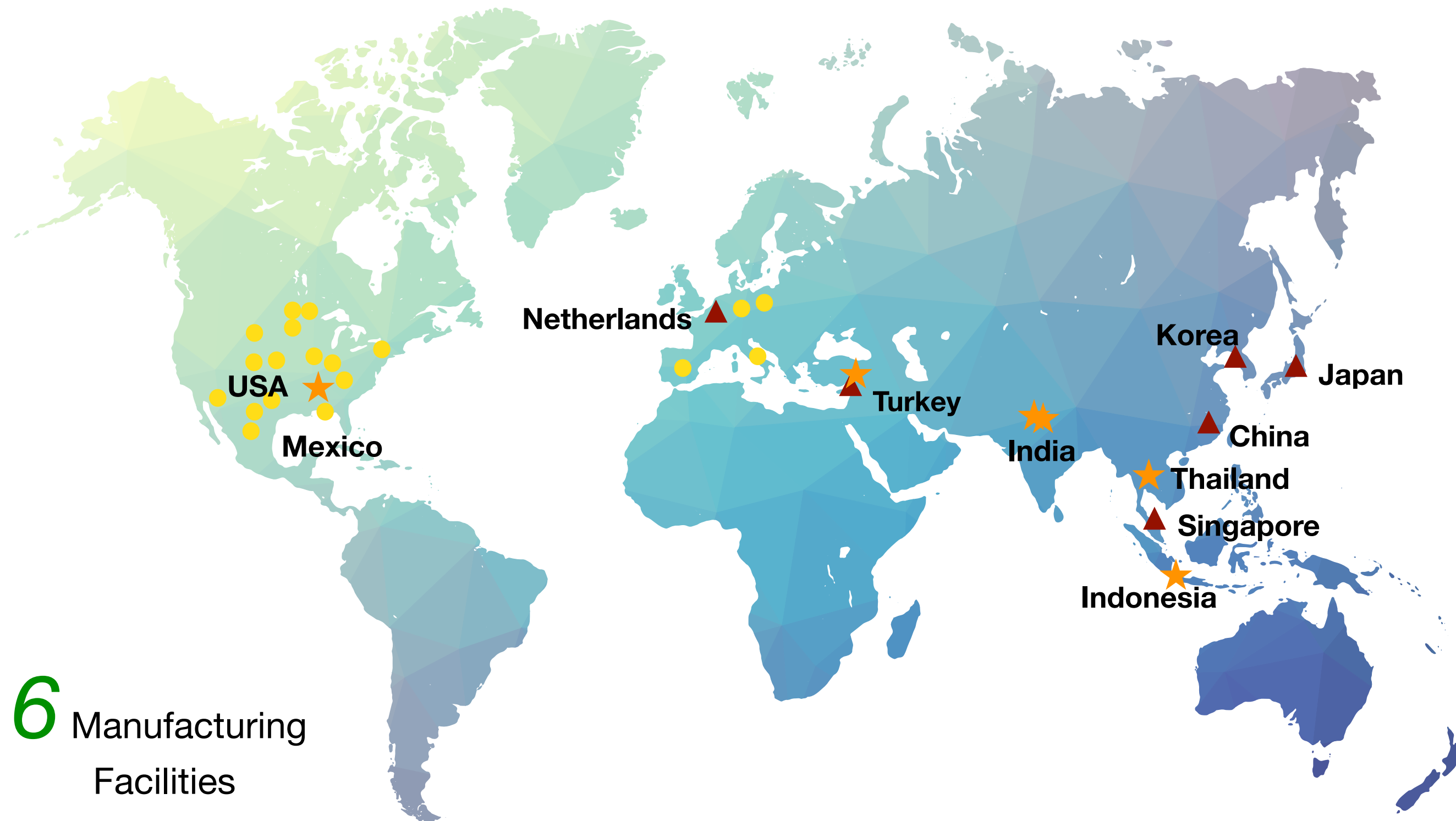


**Stable & proven Management team**

**Global leadership position with industry leading scale & cost**

# Global Leadership

*Unique model of on-shore, off-shore and near-shore manufacturing*



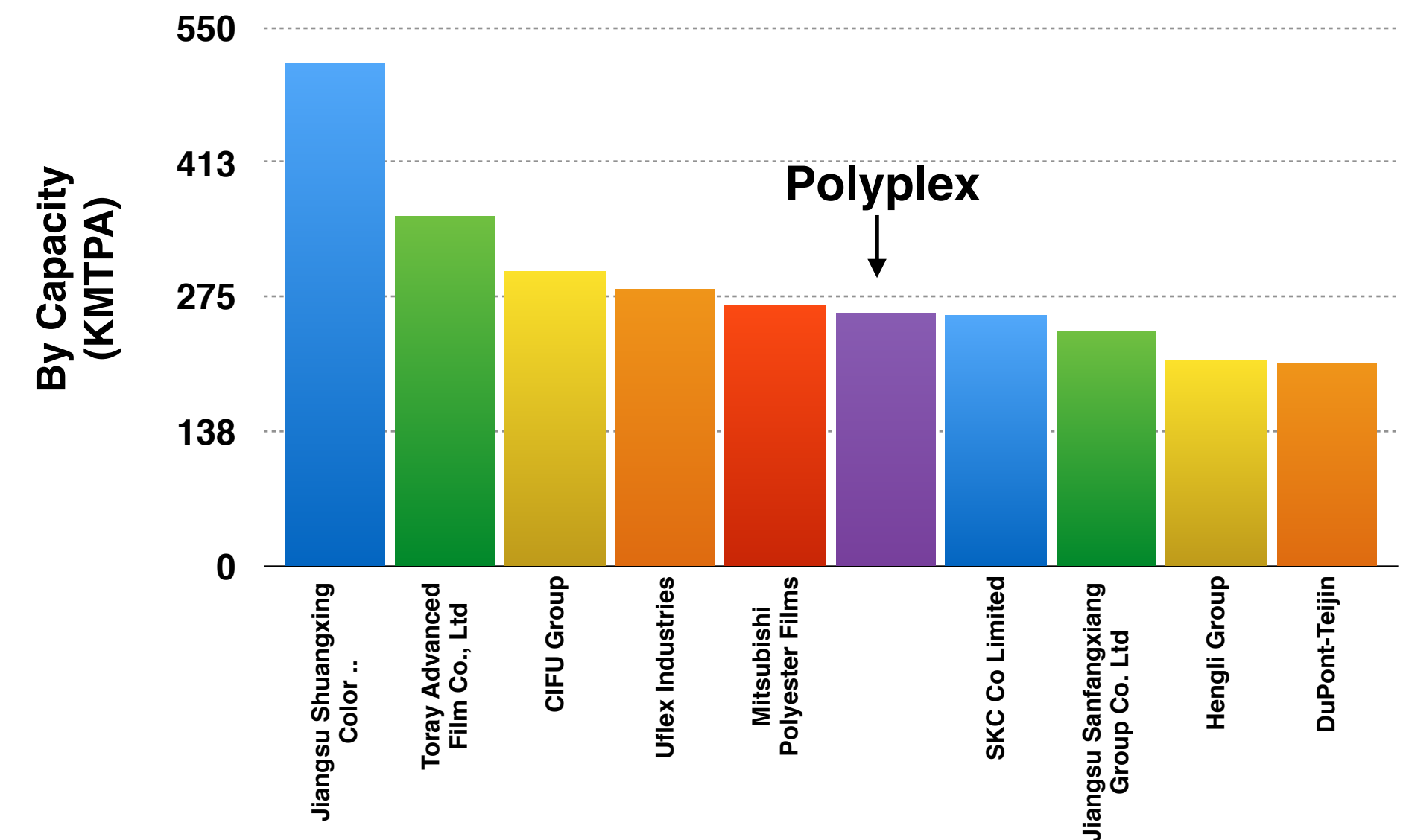
**6** Manufacturing Facilities

In **5** Countries

with Multiple Warehouses & Liaison Offices Worldwide

- ★ Group Manufacturing Locations
- Warehouses
- ▲ Trading Company/Representative Office

**Global #6 in PET Film\***

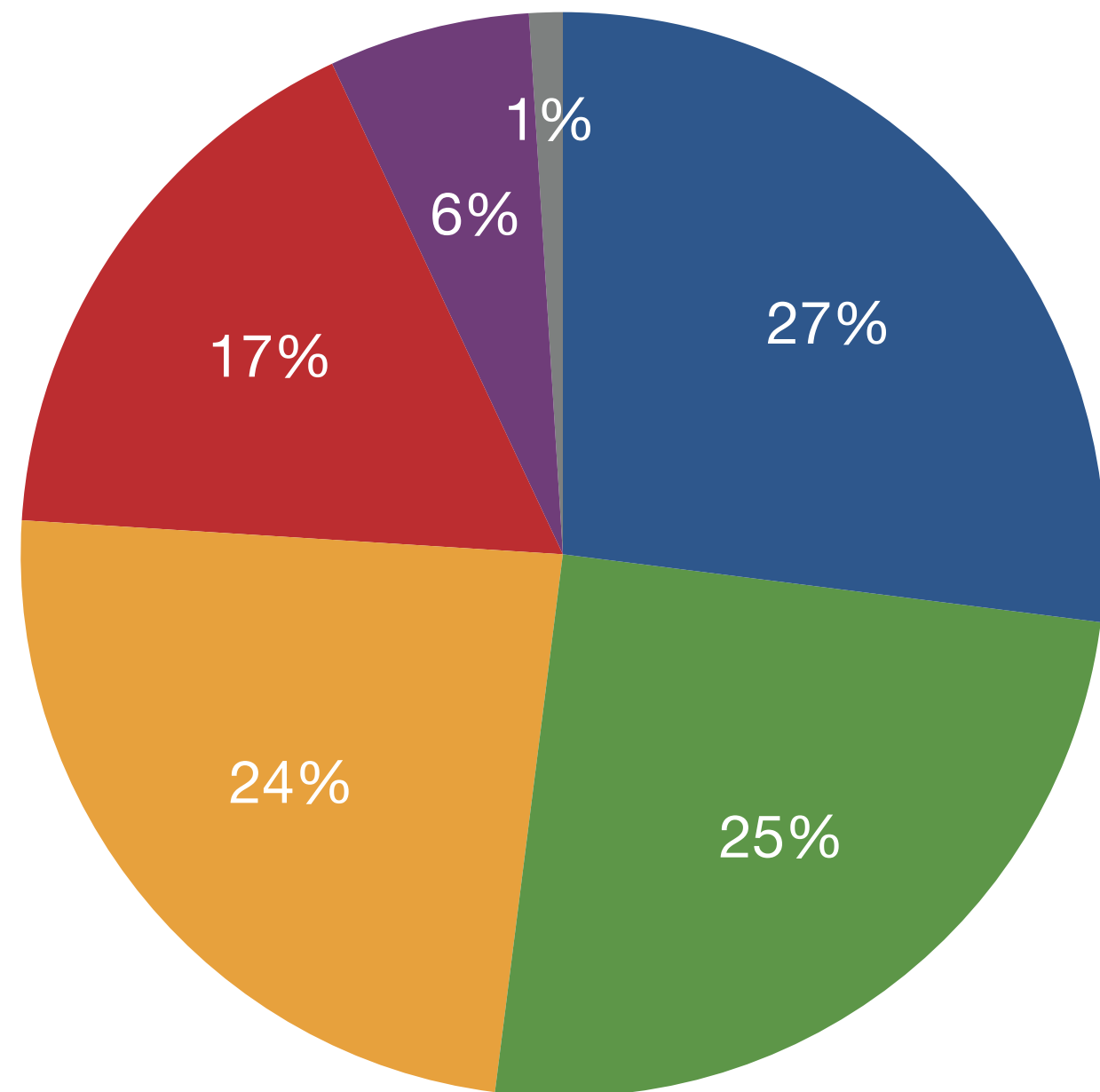


*\*Including all industry capacity started in 2019*

**Global footprint providing customers a low-risk, reliable and cost effective supply chain**

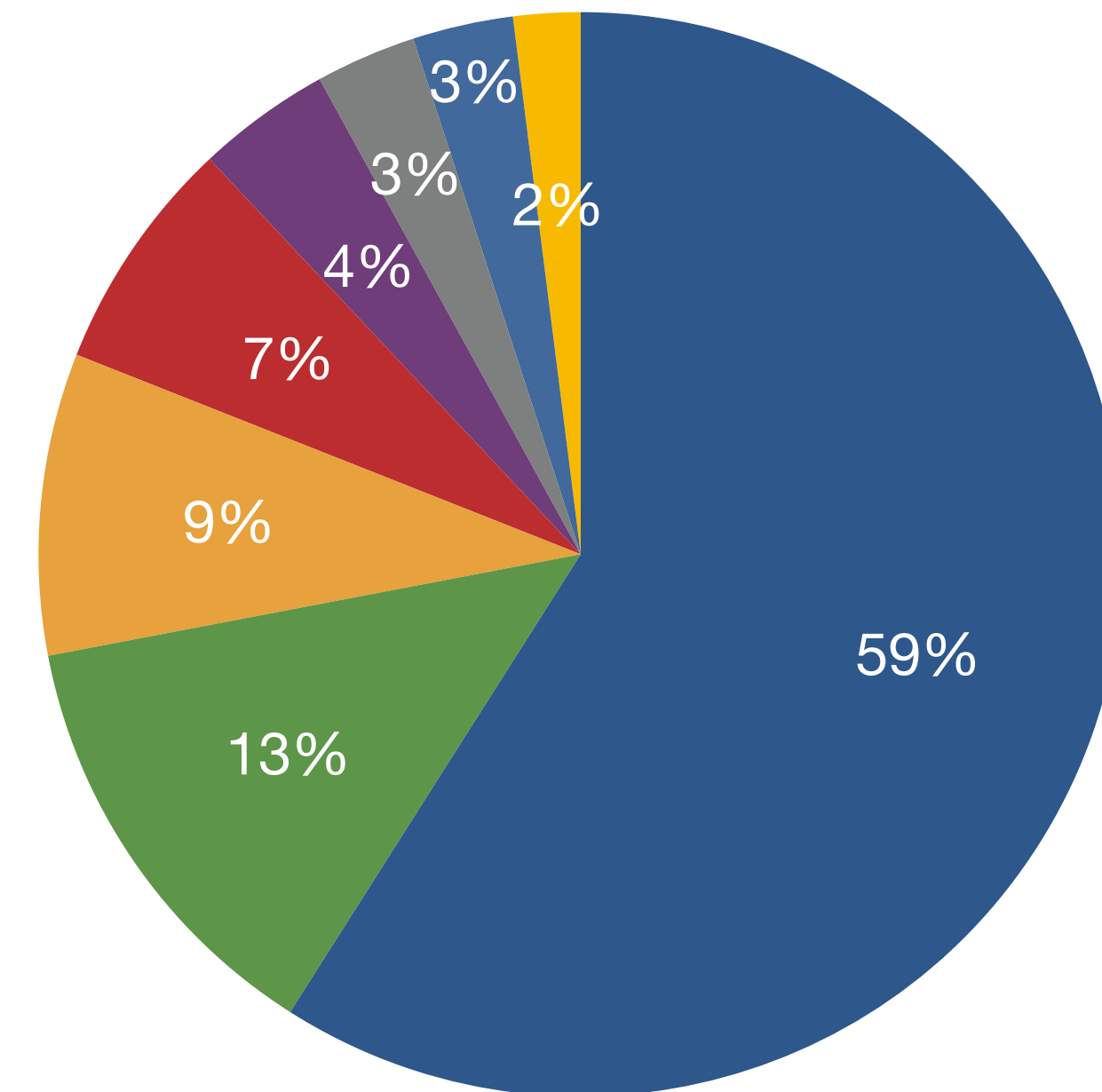
# Global Presence & Portfolio

Operating company-wise breakup of sales  
YTD 19-20



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






Business segment-wise breakup of sales  
YTD 19-20



- Thin PET Film
- OPP
- CPP/Blown PP
- Other sales
- Coated Film
- Thick PET Film
- Chips
- Other Speciality (TMP, Holo, Saraprint)



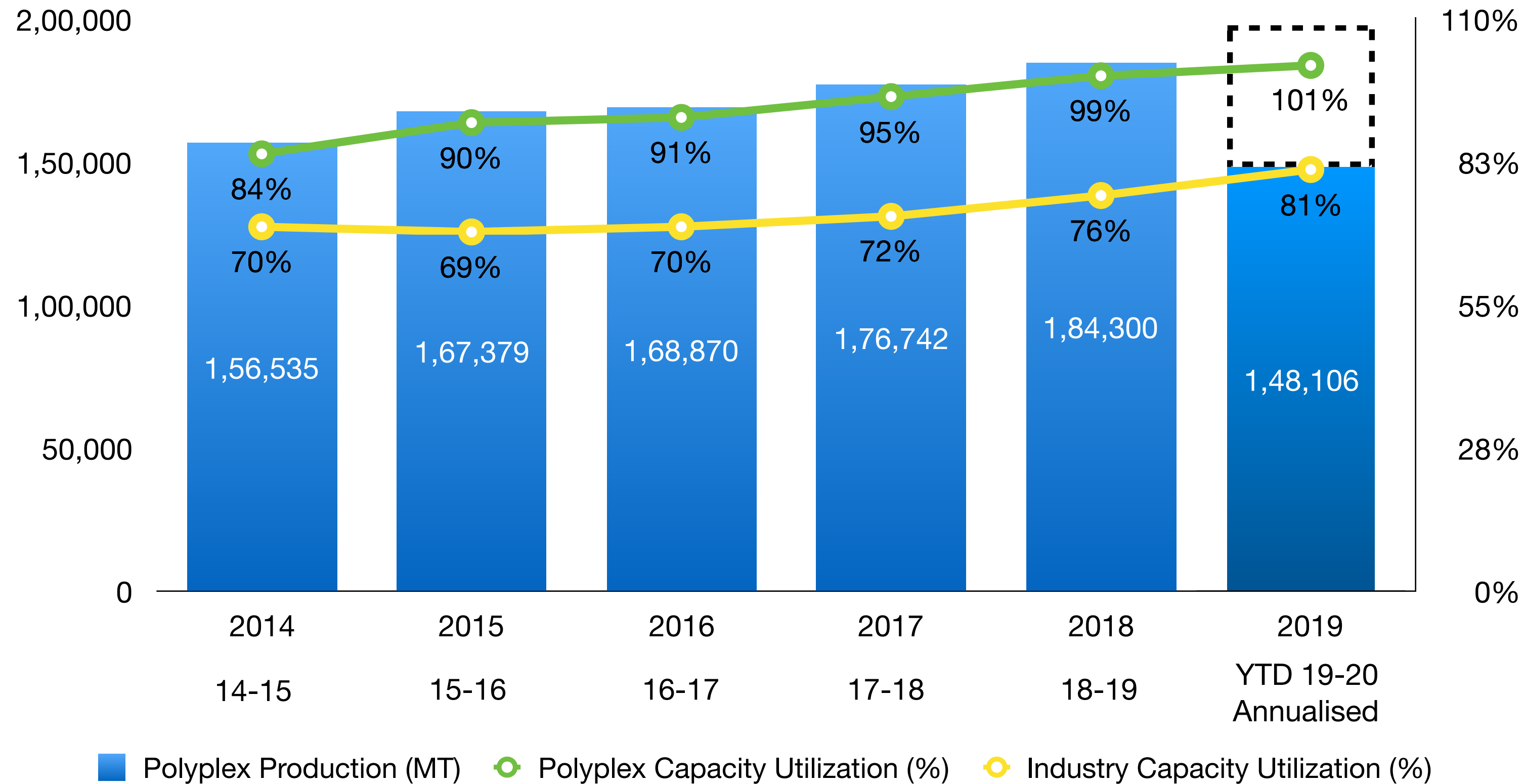
# Industry leading scale & vertical integration

	PET Film Resin* (MT)	Base Films*				Coated/Value Added Films*				
		PET Thin (MT)	PET Thick (MT)	BOPP (MT)	CPP (MT)	Blown PP (MT)	Metallized (MT)	Holography (MT)	Coated (Million SQM)	TMP (Million SQM)
 India	77,600	55,000		35,000			34,613	4,080	286	83
 Thailand	106,120	42,000	28,800		10,000	13,645	21,700	480	985	
 Turkey	75,850	58,000					17,700	480	140	
 USA	57,600	31,000					9,500			
 Indonesia	73,000	44,000		60,000			6,000			
<b>Polyplex Group</b>	<b>390,170</b>	<b>230,000</b>	<b>28,800</b>	<b>95,000</b>	<b>10,000</b>	<b>13,645</b>	<b>89,513</b>	<b>5,040</b>	<b>1,411</b>	<b>83</b>

\*Including New Upcoming Capacities

# Industry leading cost structure

Polyplex CUF vs Industry (Thin PET)



**Industry leader with near 100% Capacity Utilization through business cycles**

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

Note: Industry CUF as per CY, Polyplex CUF as per FY

**Strong financial & operational track record**



# Q3'19-20 Performance Snapshot

## QoQ Growth (Q3 19-20 v/s Q2 19-20)

## YoY Growth (Q3 19-20 v/s Q3 18-19)

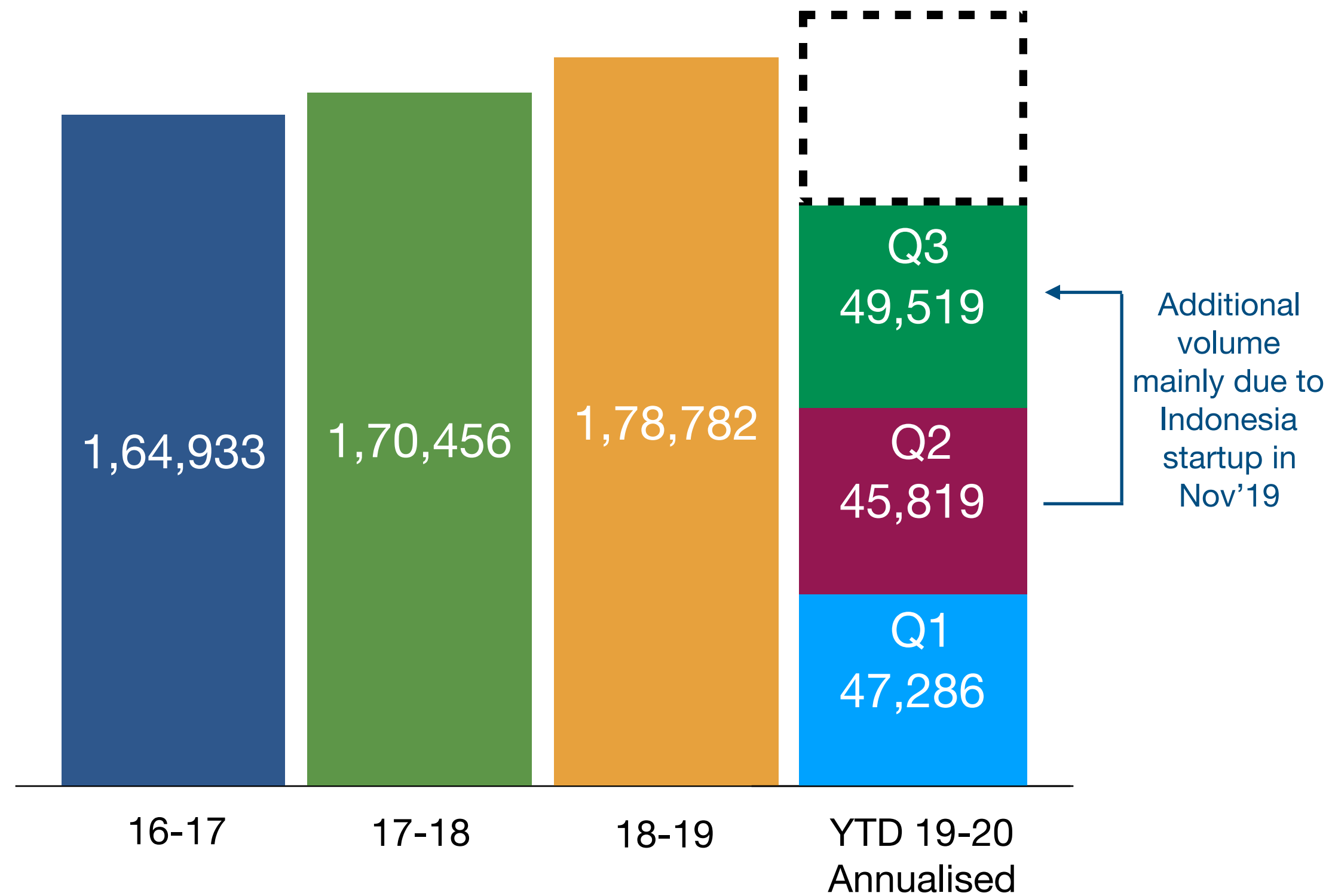
Sales Volume (All Films) 67,134 MT	4% ↑	9% ↑
Sales Revenue# 1,084 INR Crores	Flat ↔	-7% ↓
Normalized EBITDA 236 INR Crores	9% ↑	25% ↑
PAT 124 INR Crores	-36% ↓	-6% ↓
EPS 22.19 INR/Share	-34% ↓	-8% ↓

YTD 19-20 ROCE (Annualised) : 22%  
YTD 19-20 ROE (Annualised) : 21%  
(Excluding Cash & Bank Balance)

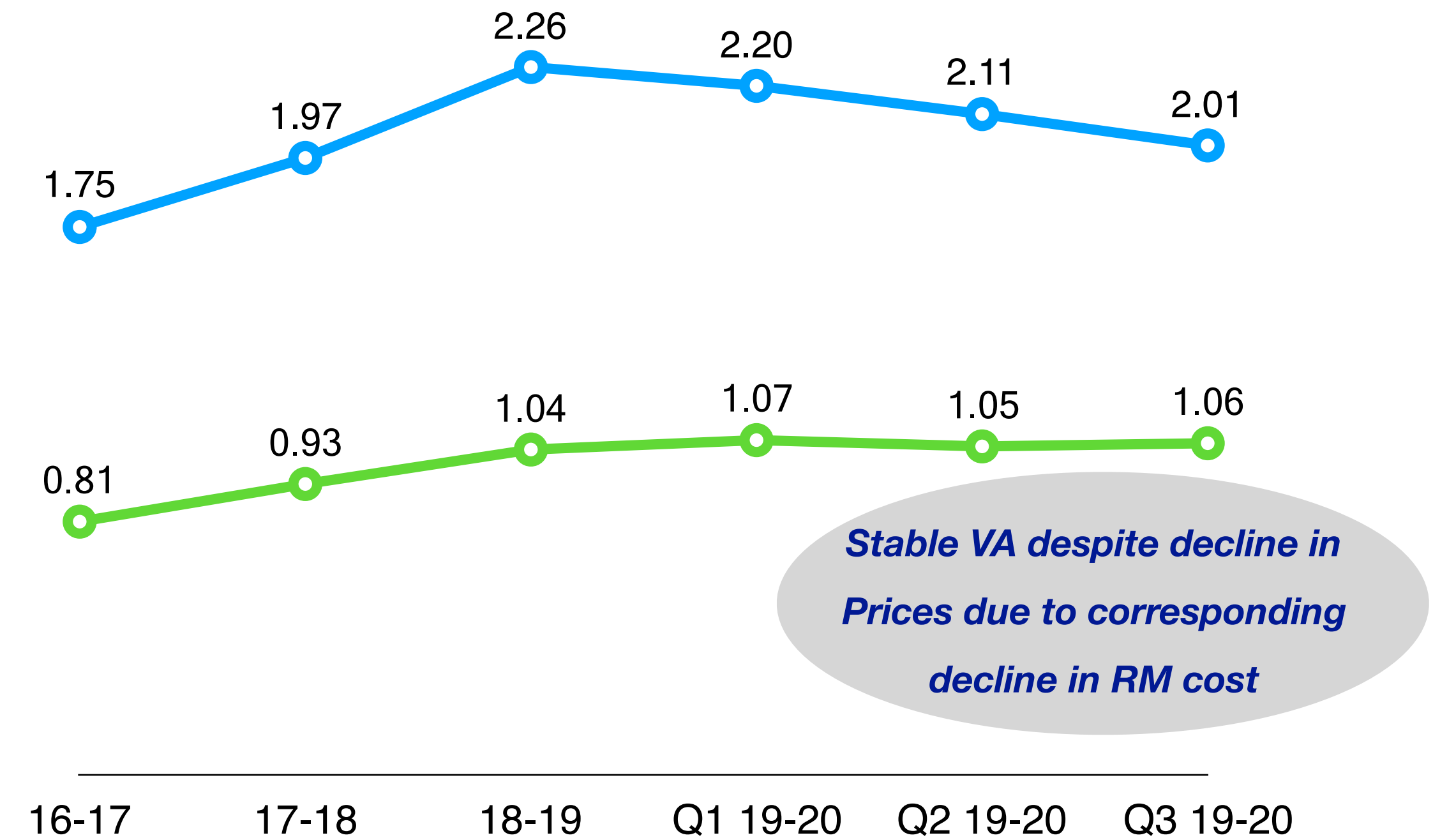
# Excludes other operating revenues

# Thin PET Film - Trend

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



○ Ex-Factory Price - Thin PET Film (Plain+Met) USD/Kg  
○ Value Addition - Thin PET Film (Plain+Met) \*\* USD/Kg

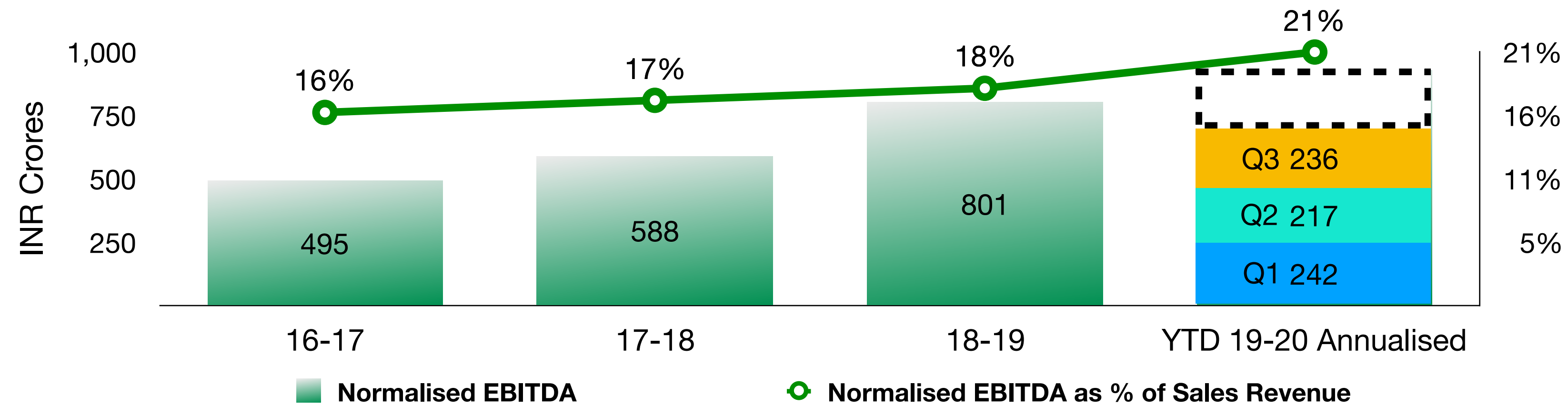


\* Includes film transferred to Coating lines but excludes sales of final product from these lines

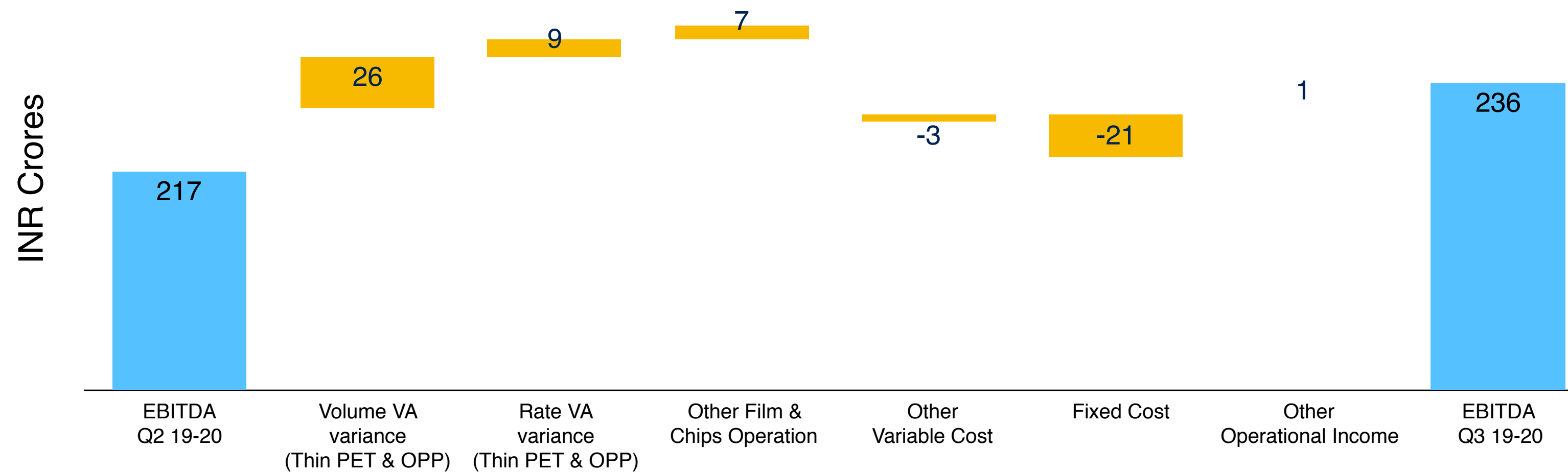
\*\* Over Raw Material

# Normalised EBITDA

## Normalised EBITDA\* - Trend



## Normalised EBITDA\* (Q3 19-20 vs Q2 19-20)

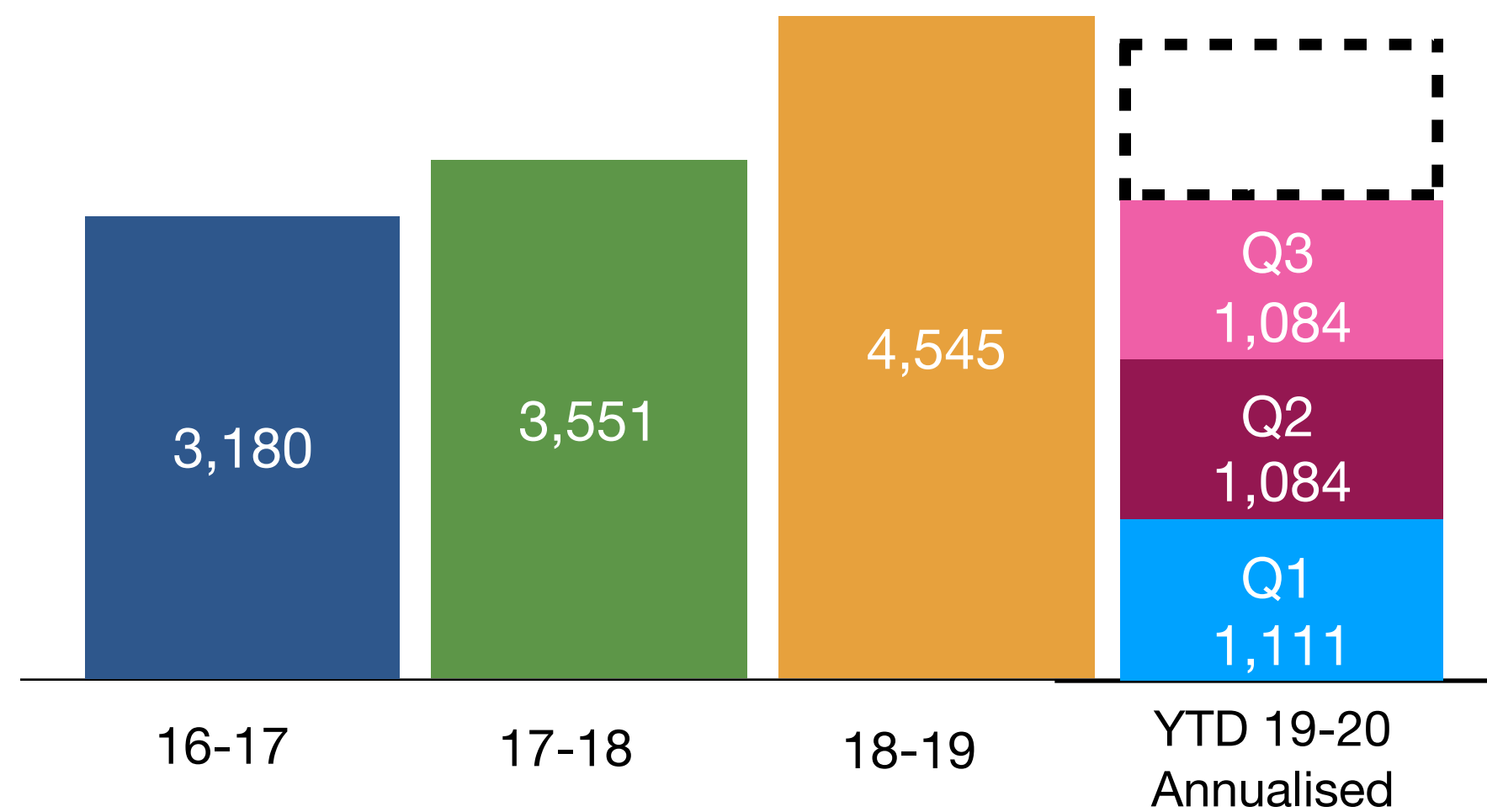


\* Normalised EBITDA: EBITDA excluding impact of unrealized FX gains/ (losses) on long term loans

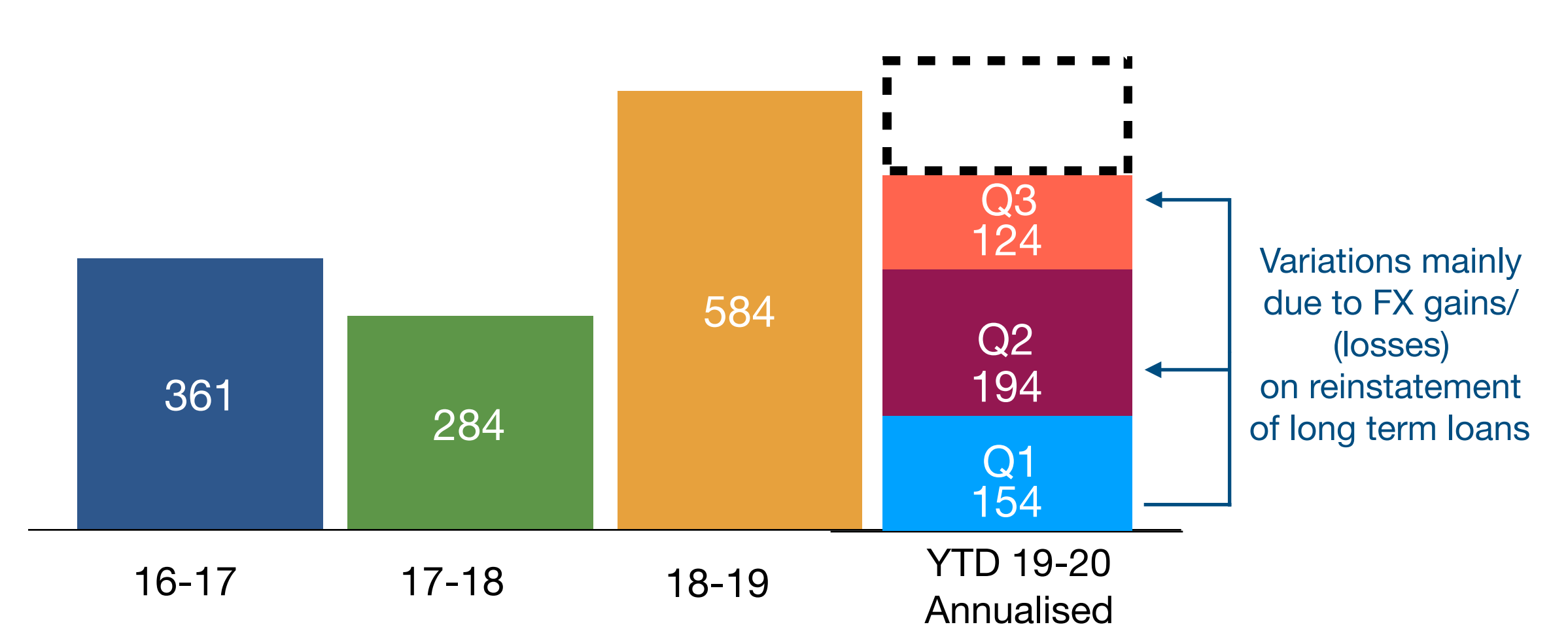


# Strong Financial Performance

Sales Revenue\* (INR Crores)

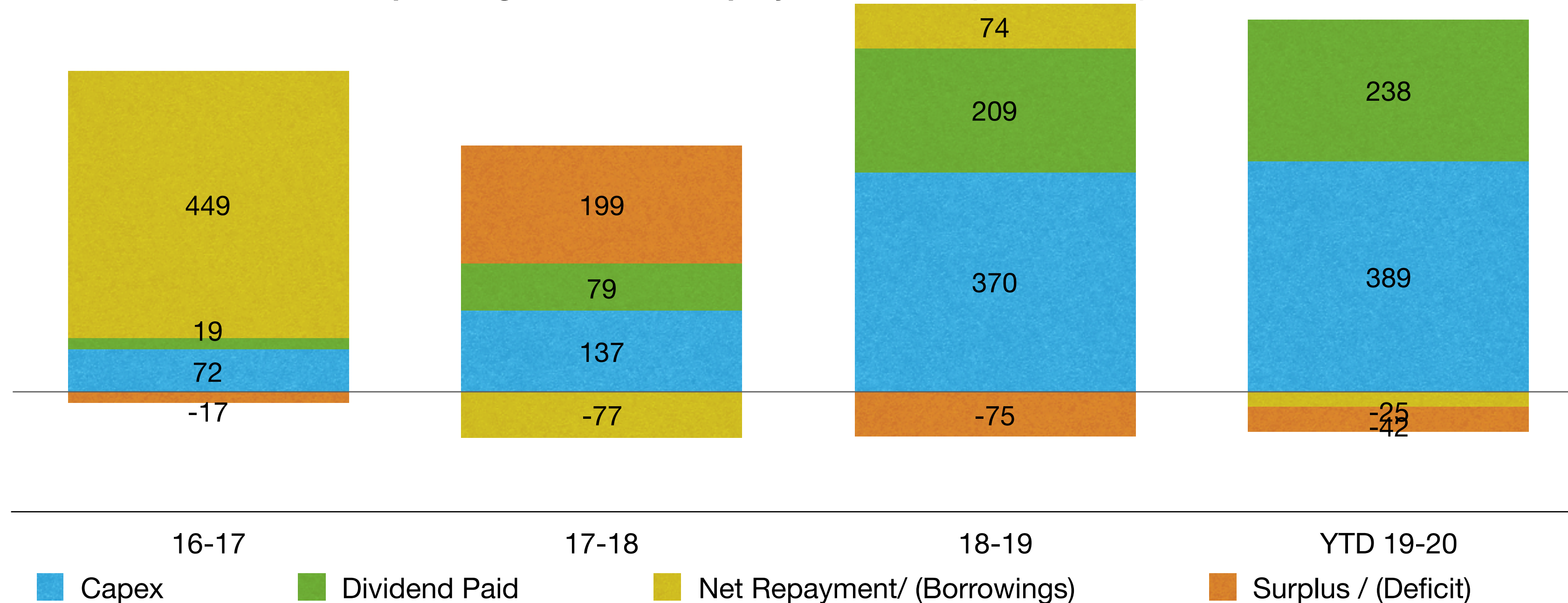


PAT (INR Crores)



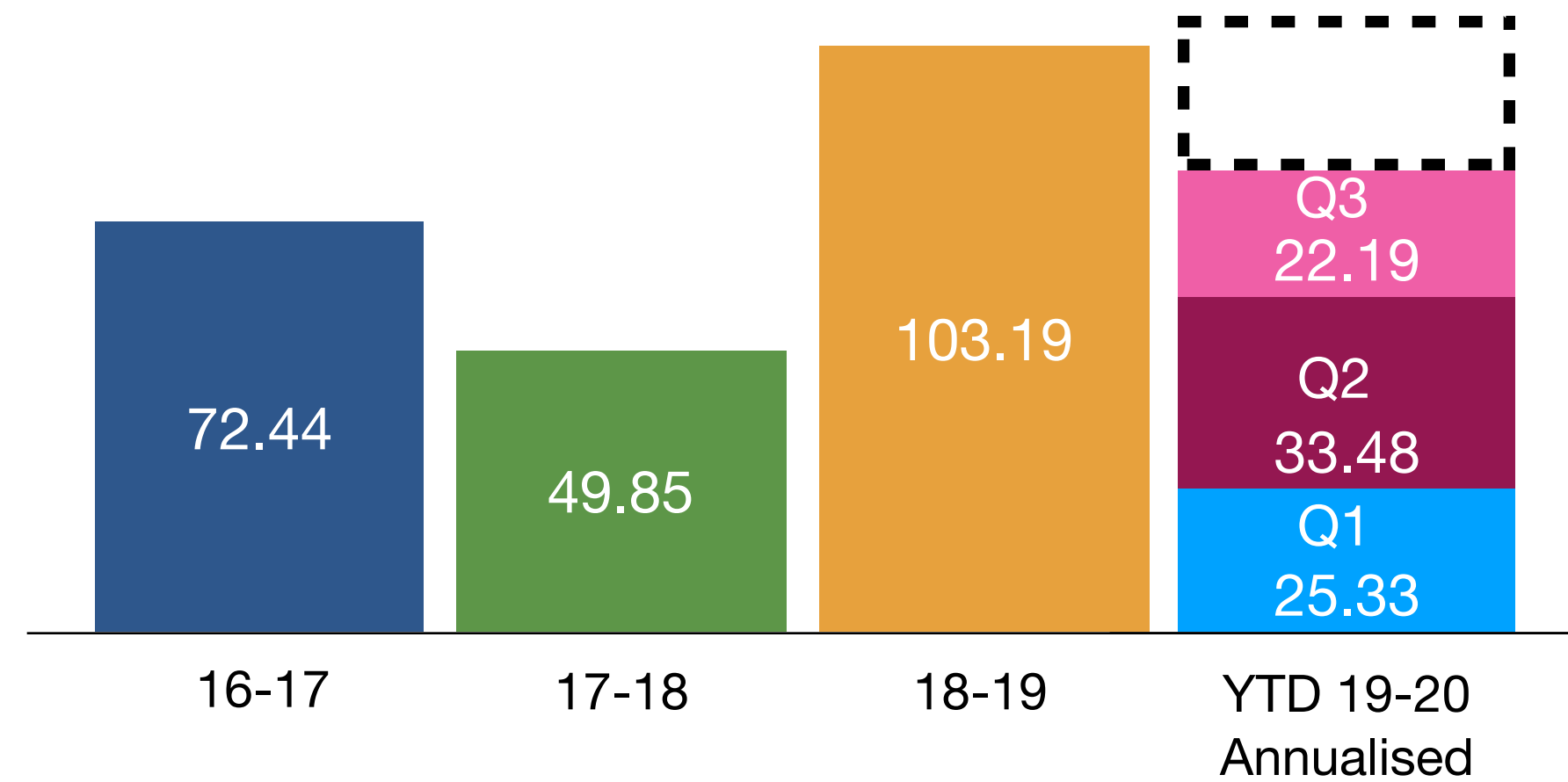
\* Excludes other operating revenues

Operating Cash Flow Deployment Trend (INR Crores)

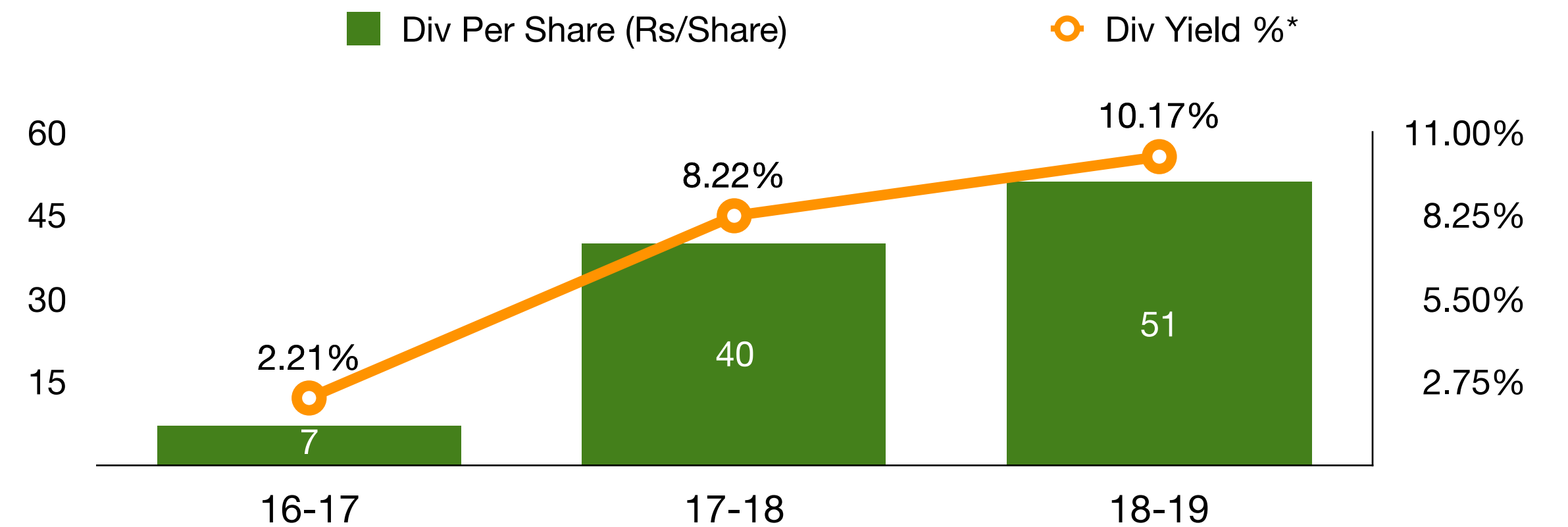


# Strong Financial Performance

EPS (Rs/Share)

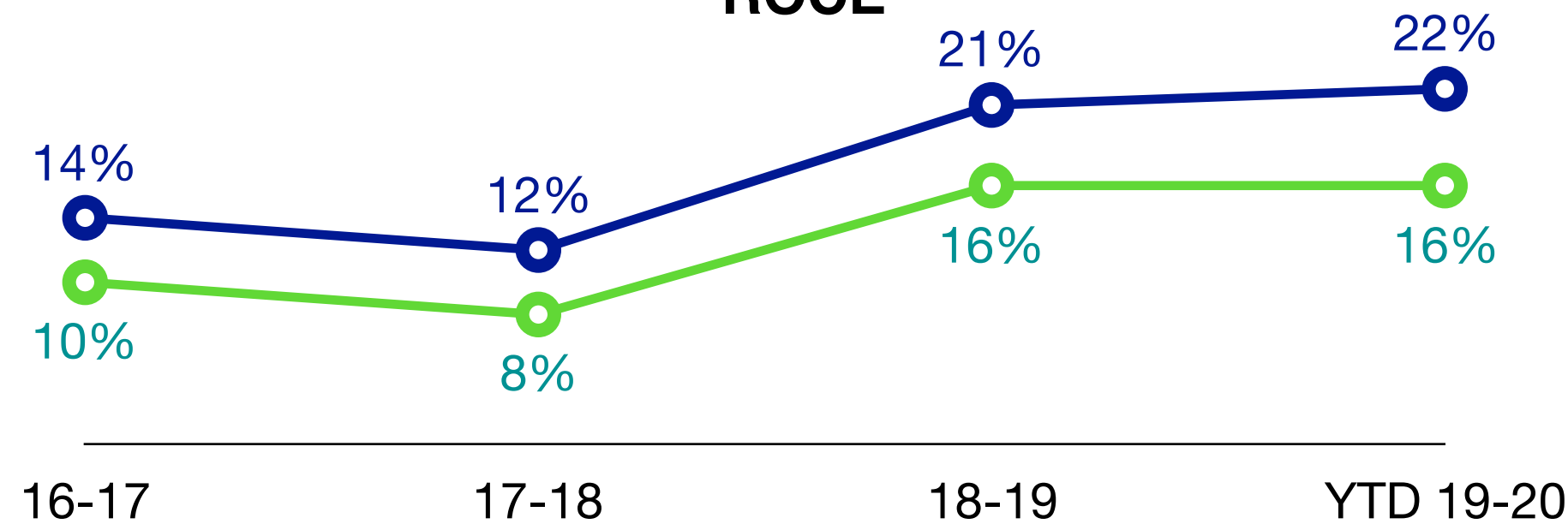


Dividend



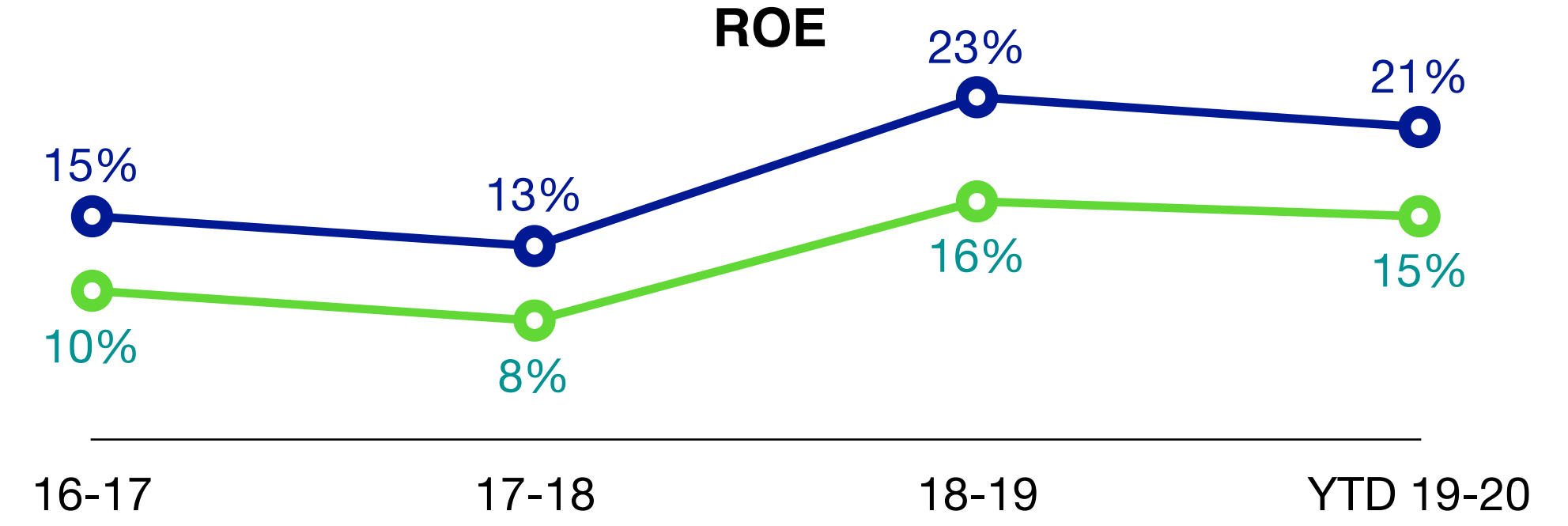
\* Average stock price for the period has been considered for calculating Div Yield  
Interim dividend of Rs.11 per share was declared for the FY19-20 in Nov 2019

ROCE



- ROCE (With Cash & Cash Equivalents)
- ROCE (Excluding Cash & Cash Equivalents)

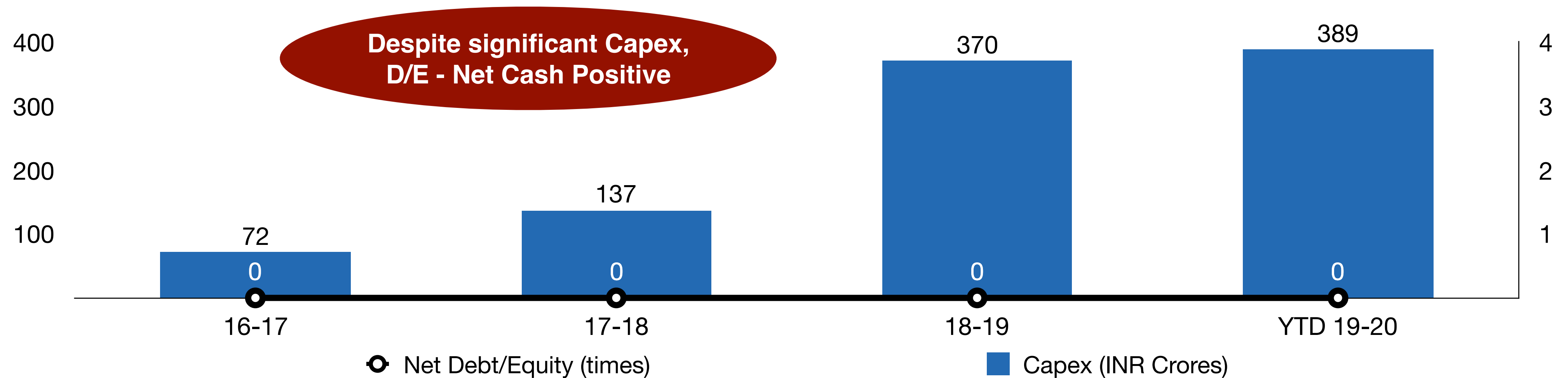
ROE



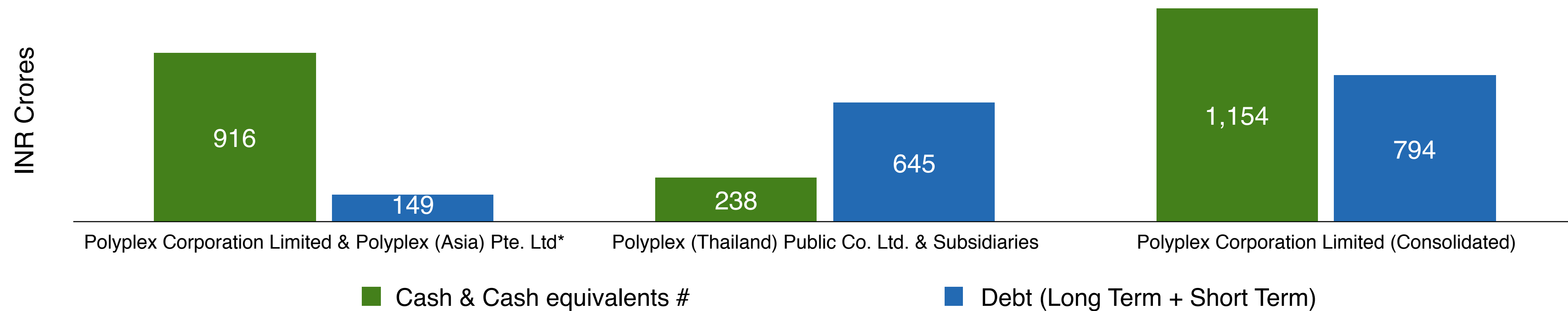
- ROE (With Cash & Cash Equivalents)
- ROE (Excluding Cash & Cash Equivalents)

- ROCE (%) = EBIT (before exceptional items) as a % to average capital employed
- ROE (%) = PAT (before exceptional items) as a % to average equity

# Strong Liquidity



## Cash & Debt Position as on 31st Dec 2019

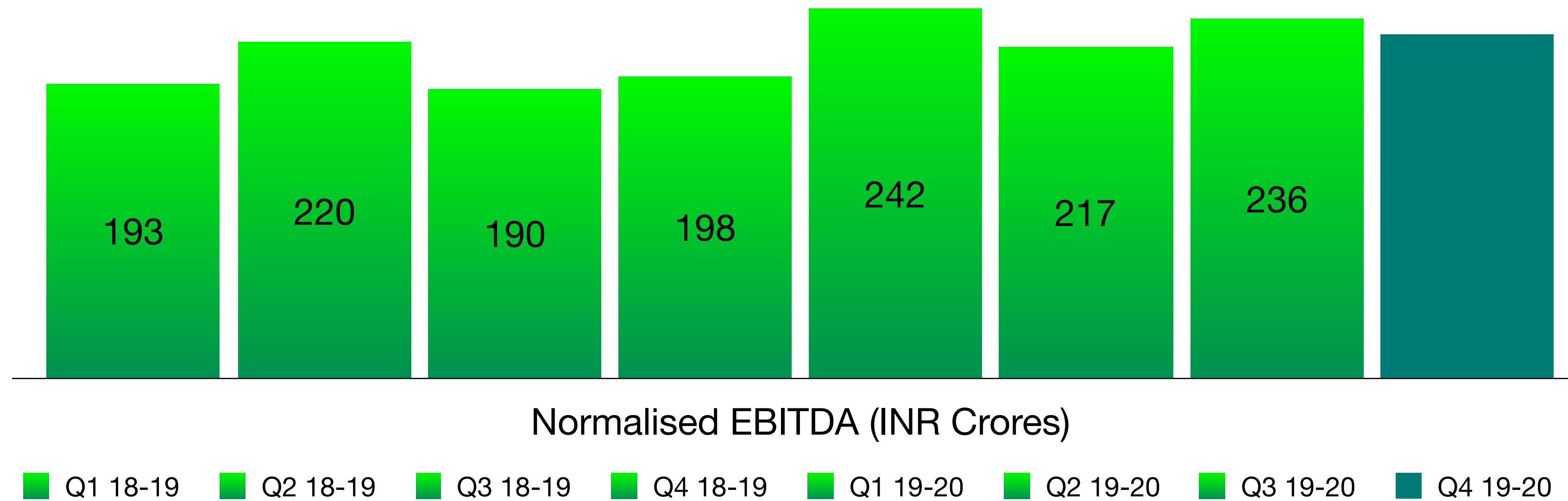


\* Polyplex (Asia) Pte. Ltd. (Singapore) is 100% owned by Polyplex Corporation Limited

# Including current & non current Investment in FD's, Bonds & Mutual funds



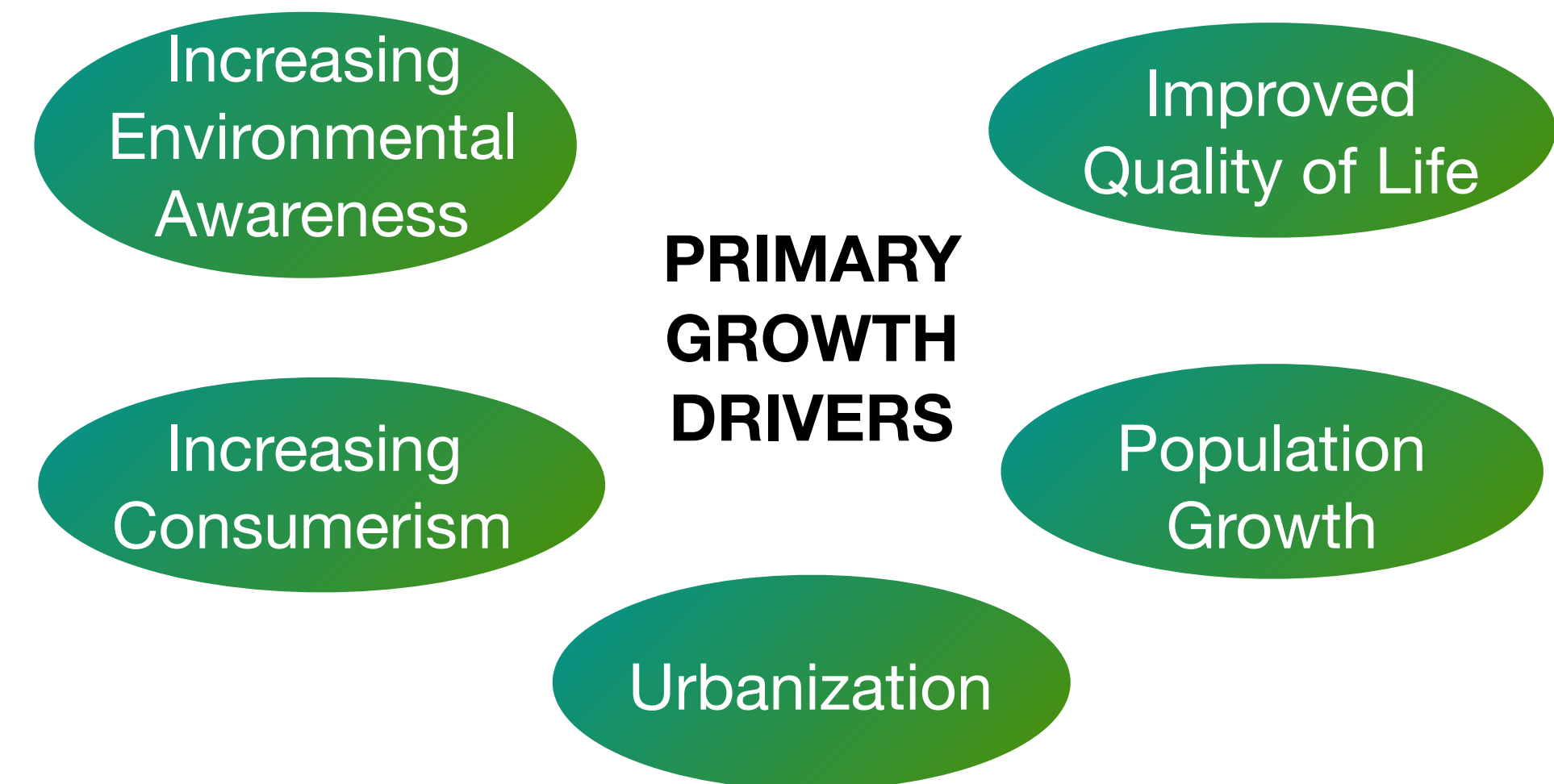
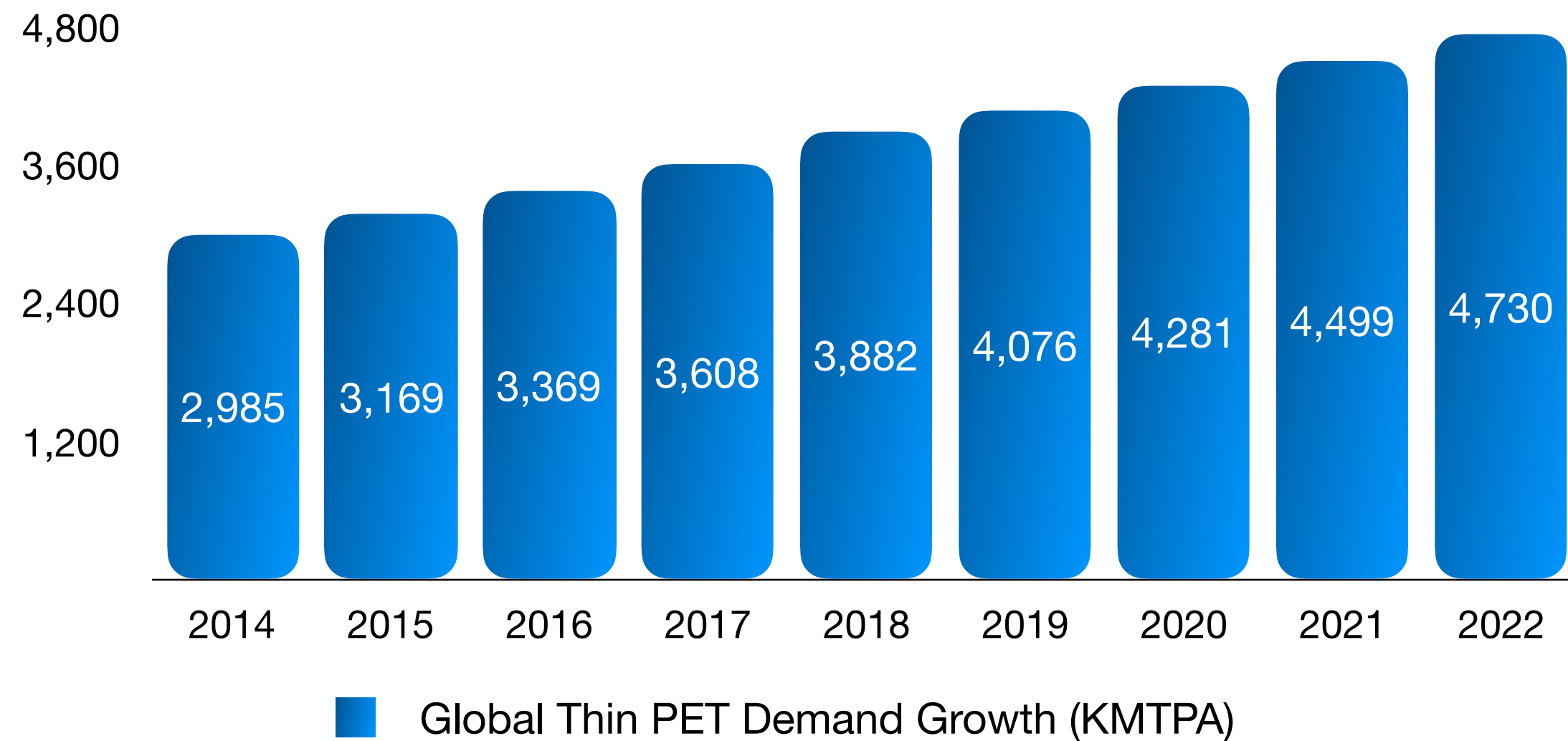
# Fourth Quarter 19-20 Guidance



The forward-looking statements reflect Polyplex's expectations of its next quarter 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 breakdown, 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.

**Continuous and high growth in demand**

# Global Demand Growth



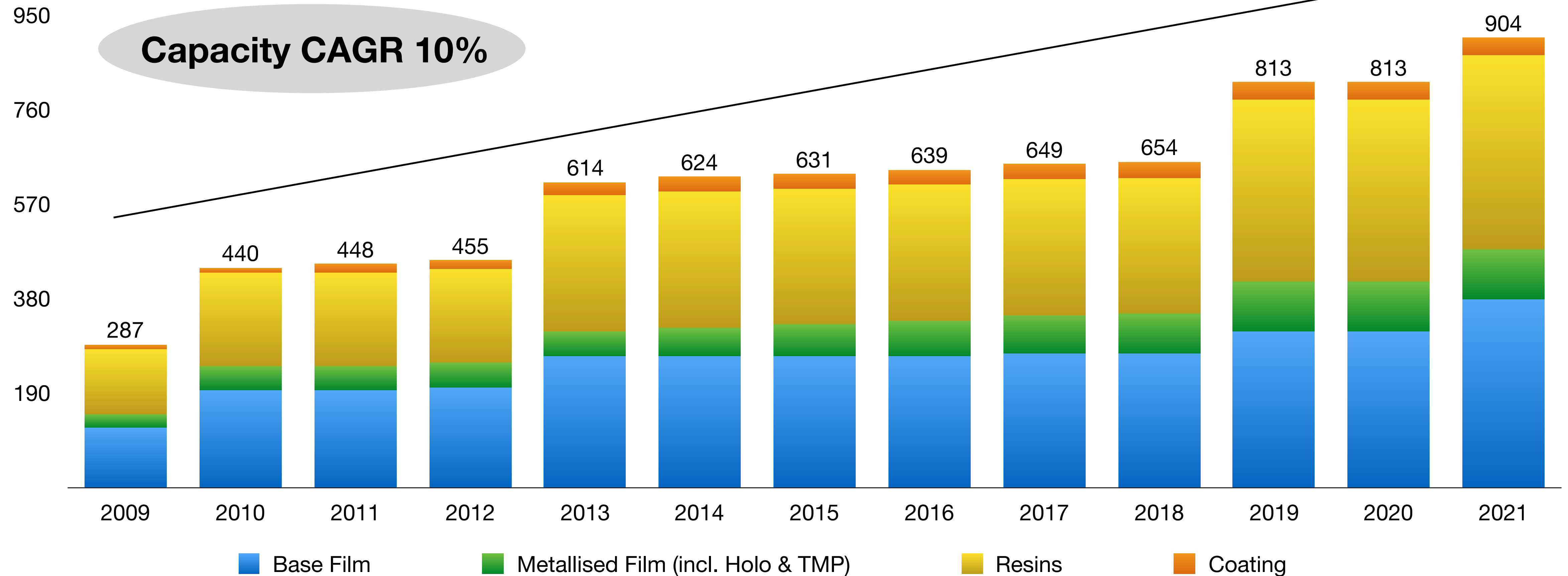
- Demand growing at 5-7% due to design versatility, cost advantage, resource economy, low carbon footprint, cost advantage and retail format/packaging innovations
- Versatility and high performance of polyester film leads itself to a wide range of 100+ applications in both industrial & consumer staples and consumer discretionary sector.



# Continuous Growth

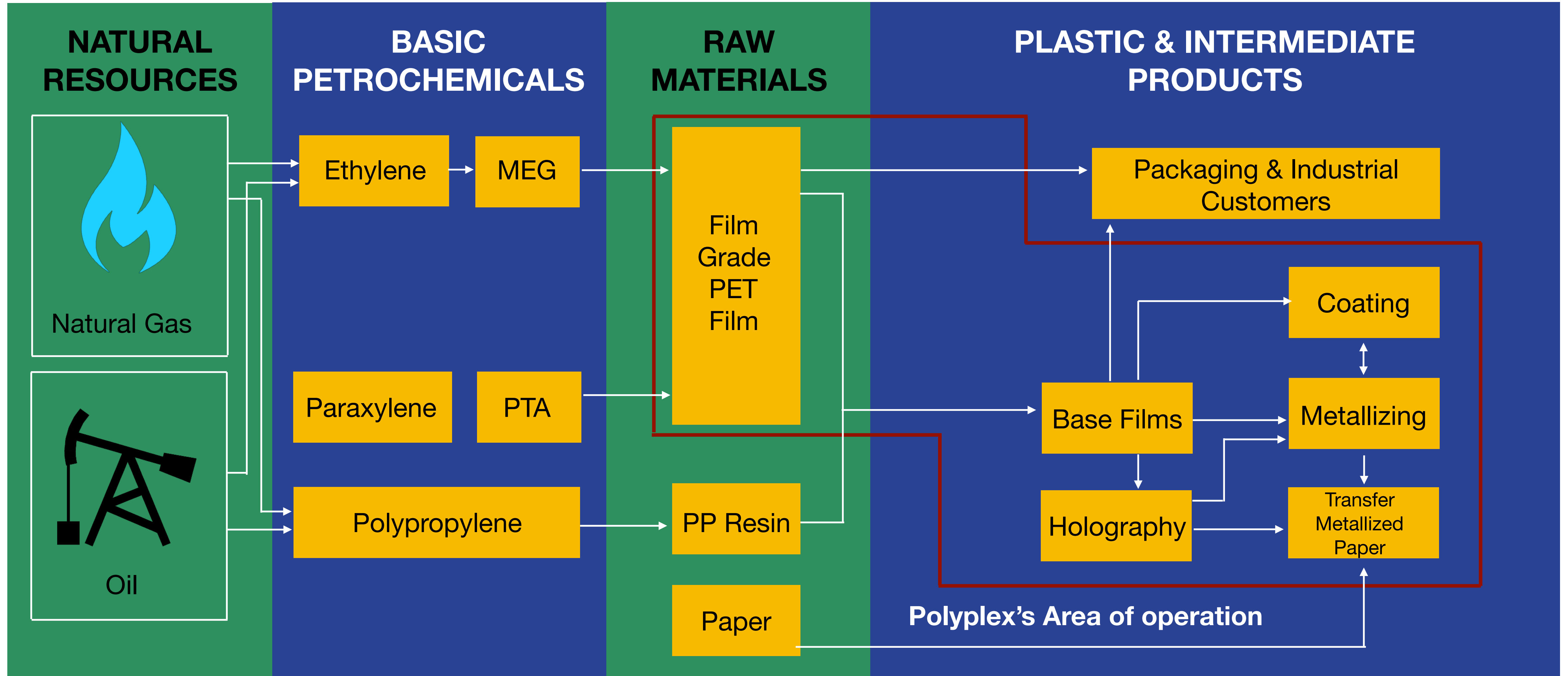
Polyplex growth more than the average market growth rate

Capacity is in '000 MT



**Stable earning across business cycles**

# Value Chain





# Product Applications & Sales Mix - YTD 19-20

72%  
**Packaging  
Customers**

- Sachet Pack
- Susceptor Film
- Stand up Pouch
- Can Lamination
- Easy Peeling Lids
- Aroma Pack
- Spouted Pack
- Ready 2 Eat Pack

28%  
**Industrial  
Customers**

- PV Backsheets
- Electrical Grade
- Electronic Grade
- Window Films
- Optical Grade
- Liner Grade
- Construction
- Graphics



**Diversity of the end use applications, coupled with the steady growth over time as well as the continuously evolving applications utilizing our product portfolio contributes to risk diversification and stability on the demand side**



# 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 relevant fields



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

15 Patents Granted

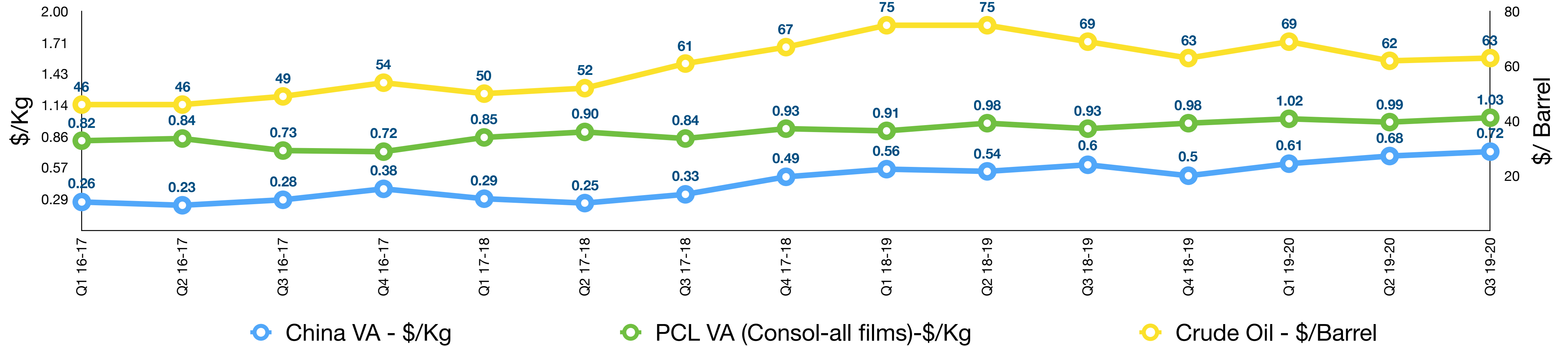
4 Trademarks Granted



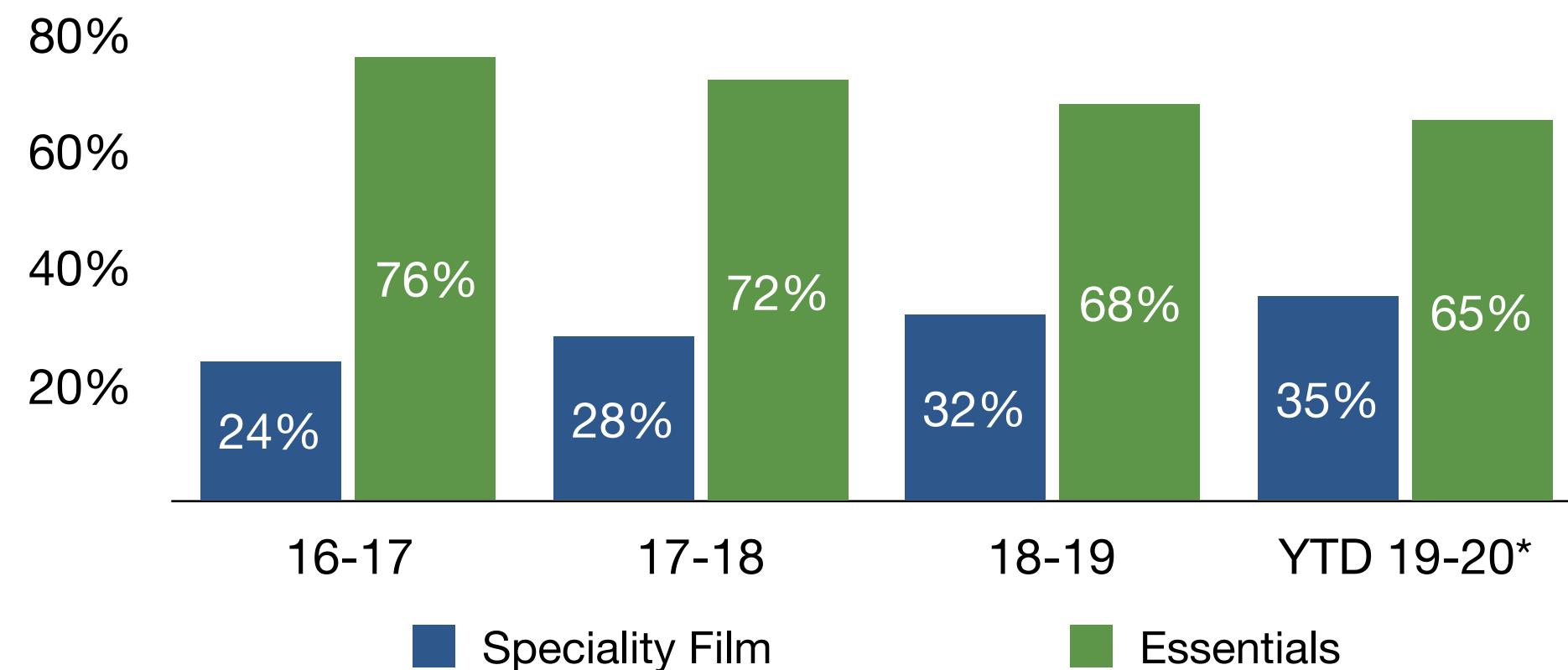
# VA Stability

Stable VA despite crude price volatility

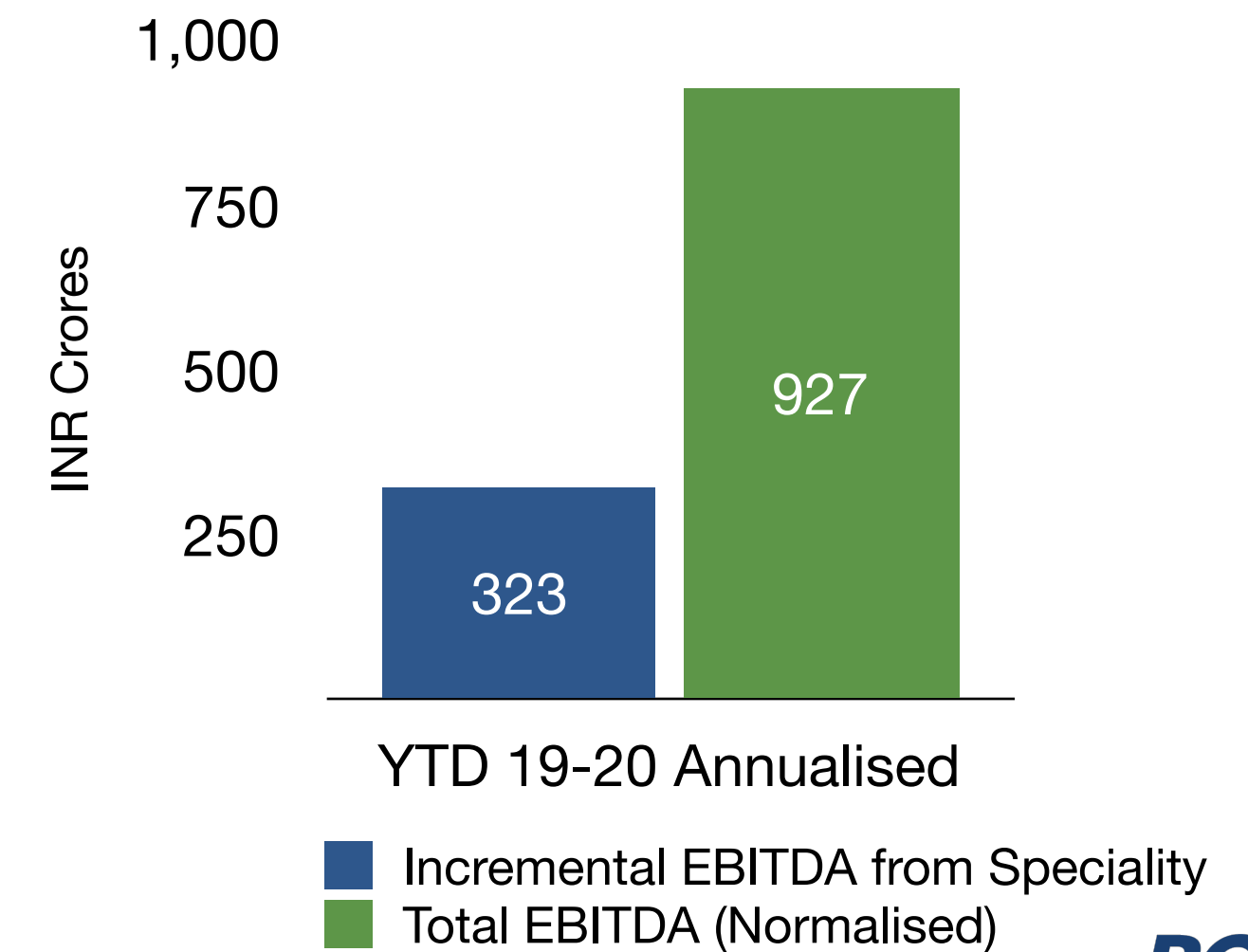
### PCL VA v/s China VA v/s Crude



### Speciality Film Share in Turnover



Increasing proportion of Speciality Film helps sustain superior margins



\*For YTD 19-20, the methodology for defining speciality film has been improved



# Polyplex & Sustainability

Portfolio



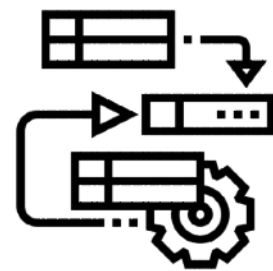
Minimize product impact through optimized product design:

- Down-gauging 8-10 $\mu$
- RPET with up to 90% PCR content
- BioPET - Bio content 30%
- Biodegradable film
- Mono material (Low SIT heat sealable PET) structures to improve recyclability - Testing & Validation Stage

Target Product:

- Co-create design using principles of circular economy

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

Collaborations



- Support development and modernization of plastic waste management infrastructure (Collection, segregation and recycling)
- Collaborate with recyclers in Europe to recycle Multi Layer Plastics (MLPs)

- Play catalyst and leadership role in engaging the industry in sustainability efforts - both plastic waste and climate change

# Industry Outlook

## OUTLOOK

- Approx.0.9 Million Tons of Capacity to be added in Thin PET from 2020 to 2022 globally
- Changing cost dynamics may result in closure/underutilization of older lines
- Constantly upgrading technology (10.6 mtr wide line) to remain a long term threat to industry players for standard films
- RM trending towards oversupply scenario
- Growing concerns around Sustainability

## POLYPLEX- STRENGTHS

- Leverage our local presence in various geographies-Quick turnaround, urgent delivery, onshore and near-shore services, customer relationship and intimacy
- Focus on speciality and high value added products thus making earnings more predictable
- Likely impact on margins to be made up by contribution from new capacities and improvement in product portfolio
- Competitive cost structure (on DDP basis) helps sustain competitive advantage
- Pricing is a function of demand/supply-effect of crude is limited as RM Prices are passed through to customers with a varying lag
- Tax Efficient Structure
- Ongoing Capex on various line upgrades to enable optimal utilisation of assets.

# Growth Plans

Projects	Location	Capital Cost (In USD million)	Likely Start Up
GreenField - BOPET	Indonesia	81	PET Film Plant & Metallizer - Started in Nov'19 Resin Plant to start by Q4 FY 19-20
BrownField - BOPP	Indonesia	48	H1 FY 21-22
Other Projects	India	10	Upto Q1 FY 20-21
	Overseas	23	Upto Q1 FY 21-22
Total		162	

Note: In addition to the above, normal maintenance Capex in the range of USD 6-7 million

## Amount spent as on 31st Dec'19

- BOPET Film Project - Indonesia = USD 74 million
- Other Projects = USD 15 million

## PET Film Line Start-up at Indonesia





# Annexures

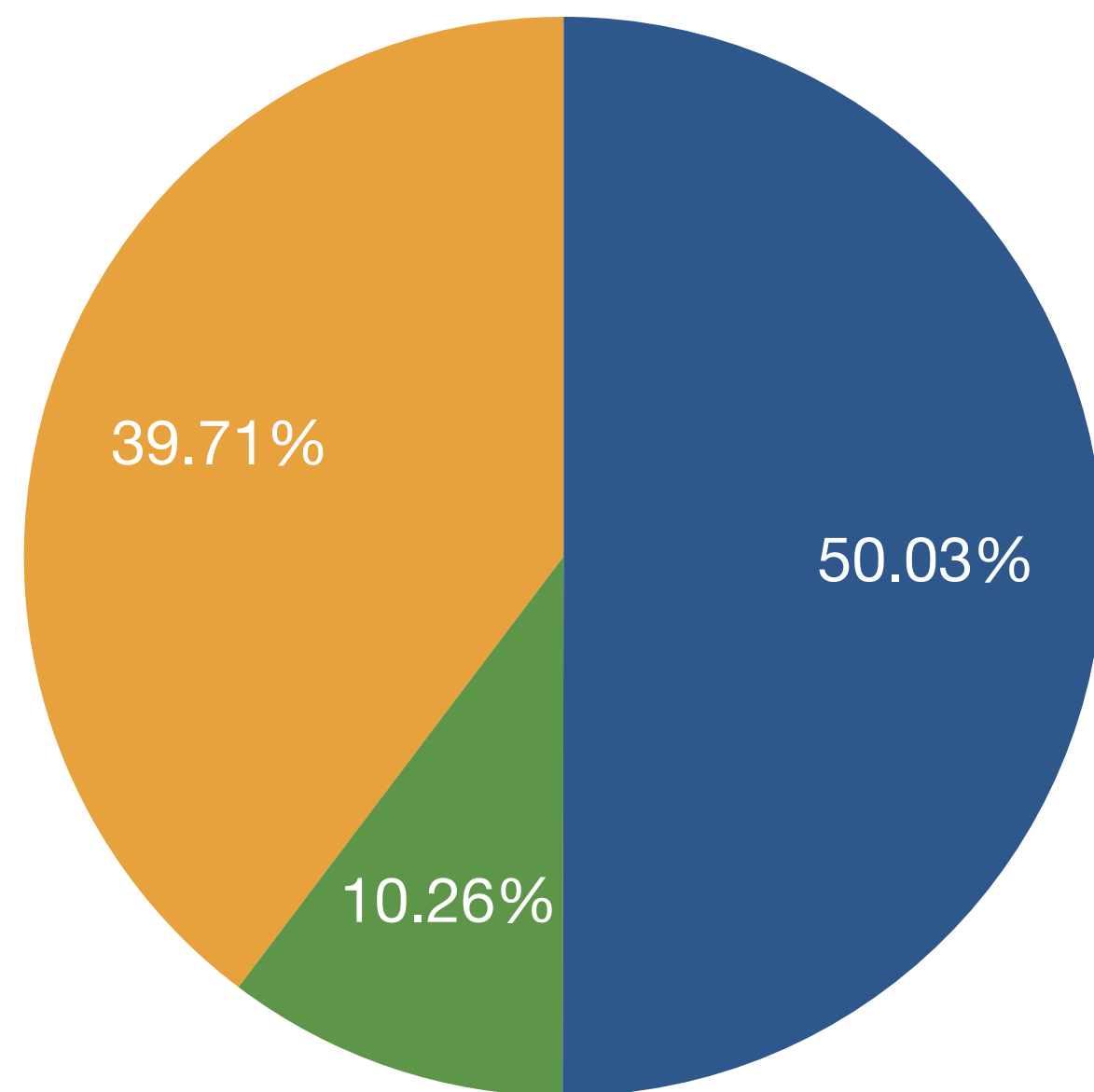
## Contents

- Shareholding Pattern
- Group Structure

# Shareholding Pattern

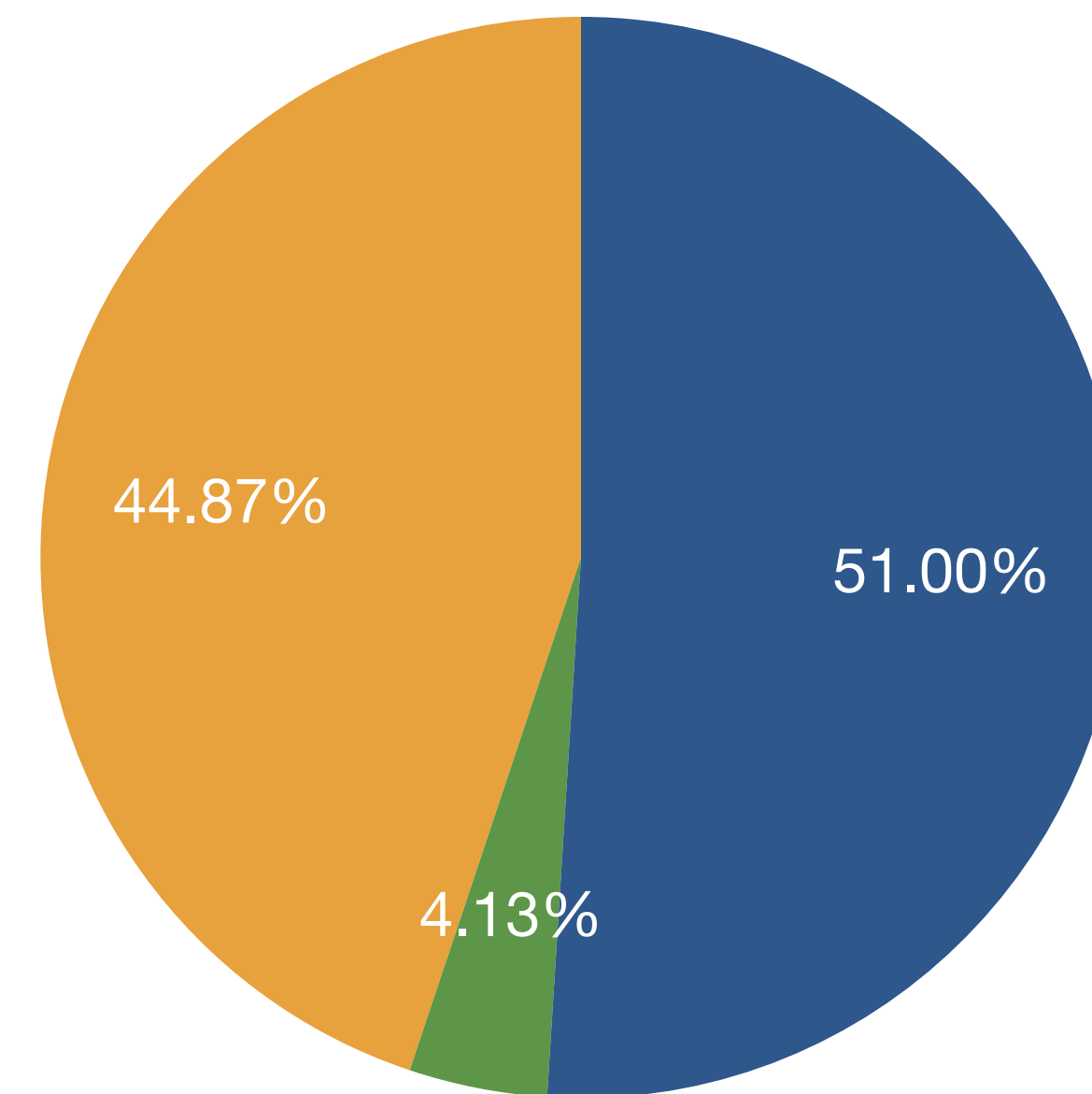
- Polyplex Corporation Limited (PCL) is the Group Holding Company
- PCL's economic interest in the overseas businesses is 51%
- PCL listed on BSE/NSE in India and the Thai subsidiary (PTL) on the Stock Exchange of Thailand (SET)
- Shareholding of the Company (as on 31st Dec'19) is as below:

## PCL Shareholding



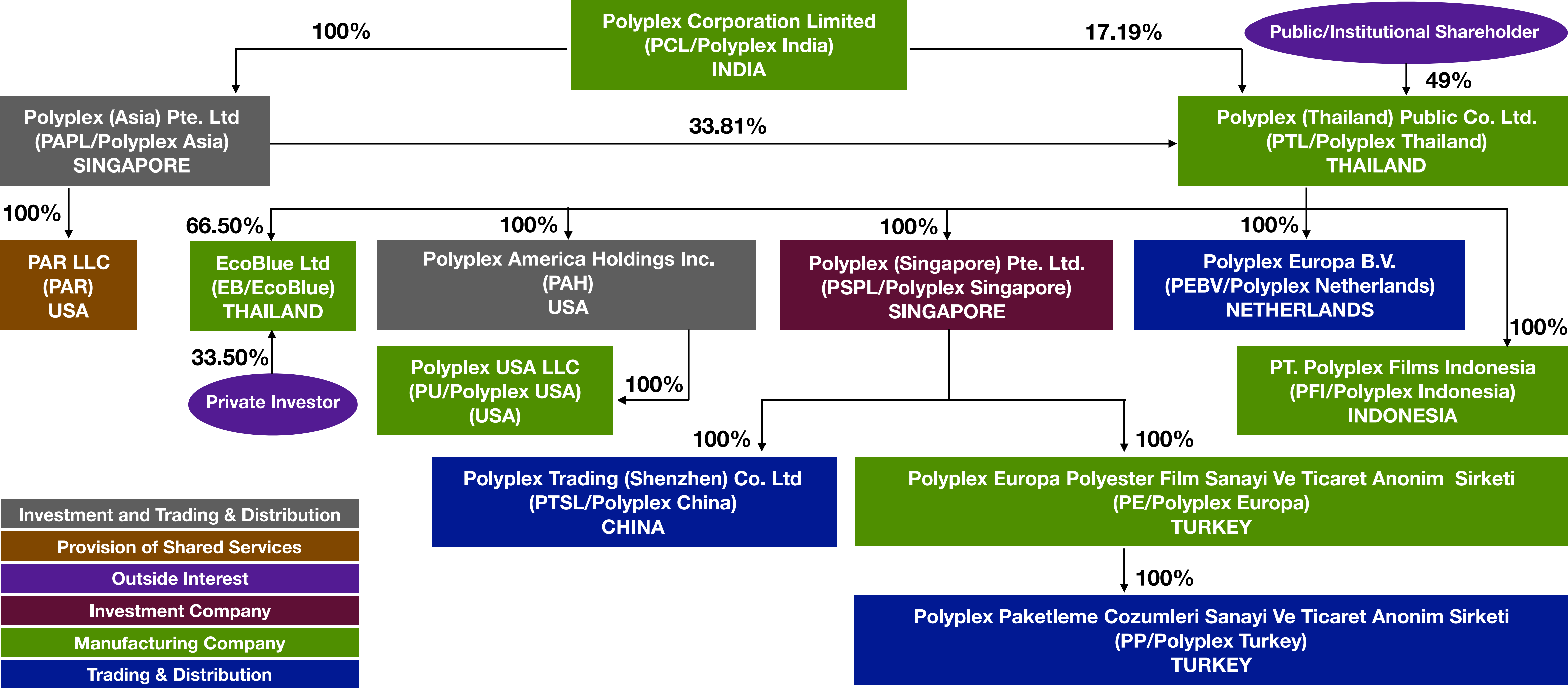
● Promoter  
● Institutions  
● Non-Institutions

## PTL Shareholding



● Promoter  
● Institutions  
● Non-Institutions

# Group Structure



- Investment and Trading & Distribution
- Provision of Shared Services
- Outside Interest
- Investment Company
- Manufacturing Company
- Trading & Distribution

# Thank You

**Polyplex Corporation Limited**

**B-37, Sector-1, NOIDA**

**Distt. Gautam Budh Nagar**

**Uttar Pradesh-201 301**

**Board:+91.120.2443716-19**

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