

7 February 2020

Corporate Service Department BSE Limited 25 th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	The Listing Department National Stock Exchange of India Ltd Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai 400 051
Scrip: Equity 500135. NCDs 957238	Trading Symbol: ESSELPACK

Ref.: Essel Propack Limited

Sub.: Investors notes/updates with respect to the Unaudited Financial Results for the third quarter and nine months ended 31 December 2019

Dear Sirs,

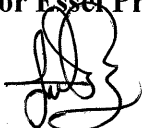
Please find attached copy of the Investors notes/updates as mentioned in the subject line.

We request you to kindly take note of the aforesaid and acknowledge receipt.

Thanking You

Yours faithfully,

For Essel Propack Limited



Suresh Savaliya
Head Legal & Company Secretary



Encl.: As above

Filed Online

4

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CIN: L74950MH1982PLC028947



Essel Propack Limited (EPL)

Q3FY20 Earnings Presentation



Safe Harbour

Certain statements in this presentation concerning our future growth prospects are forward-looking statements. The Company cautions that, by their nature, forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in packaging industry including those factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, industry segment concentration, our ability to manage our operations, reduced demand for packaging products in our key focus areas, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Essel Propack has made strategic investments, withdrawal of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies, and unauthorized use of our intellectual property and general economic conditions affecting our industry. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company.





EPL 2.0

Continued Commitment to the Mission

Recap: EPL 2.0 - Executive Summary

1 With Blackstone as the new controlling shareholder, our mission is to deliver:
“Capital Efficient, Consistent Earnings Growth”

2 Revamped the Board with fit-for-purpose professionals, strengthened the management team, and engaged Blackstone’s global advisor network

3 Identified levers to execute our mission:

- Accelerated growth in Personal Care
- Continued leadership in Oral Care
- Innovation and sustainability solutions
- Prudent capital allocation across regions

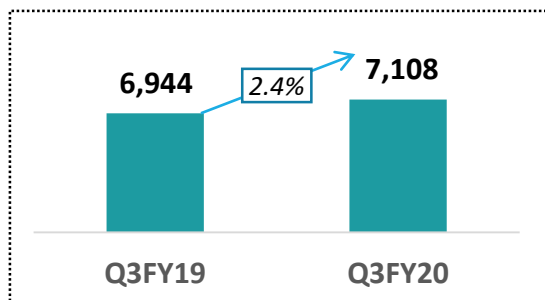
4 Continued traction visible in Q3FY20 results



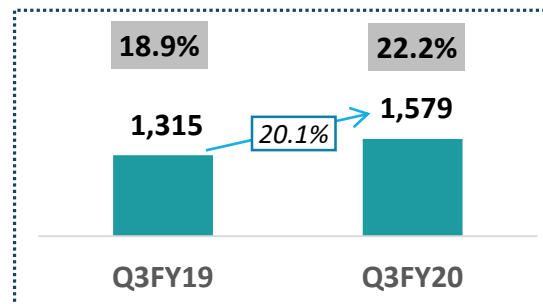
Q3FY20 Consolidated Financial Highlights: Reported Y-o-Y Revenue growth of 2.4%, EBITDA growth of 20.1% and PAT growth of 32.3%

(INR million)

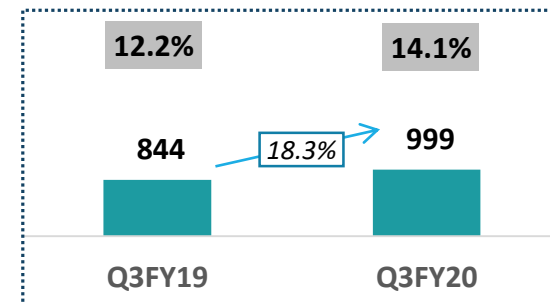
Revenue from Operations



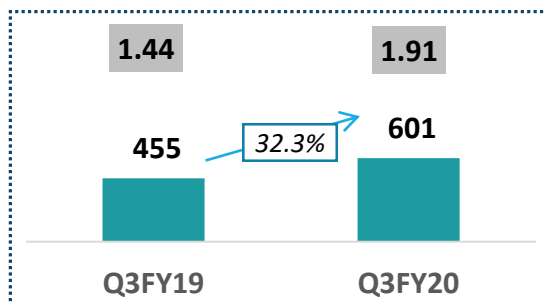
EBITDA and EBITDA Margins



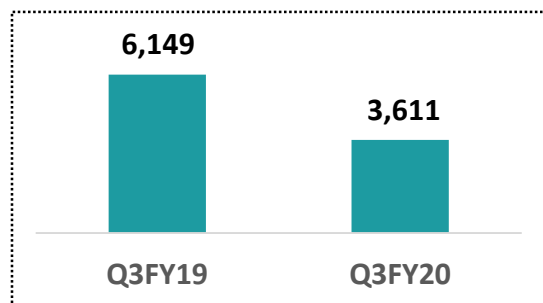
EBIT and EBIT Margins



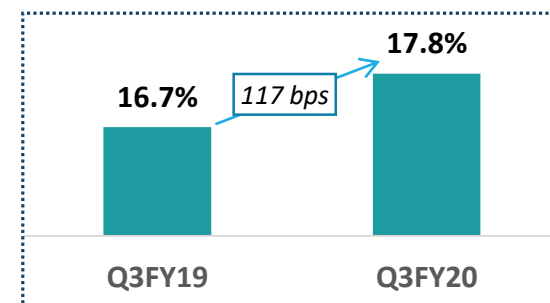
PAT and EPS (INR)



Net Debt



ROCE¹



- ▶ Q3FY20 revenue growth led by strong growth in Europe (12.4% y-o-y) across Oral and Personal Care² categories
- ▶ Healthy EBITDA growth: 328 bps of EBITDA margin expansion driven by productivity improvement initiatives
- ▶ Focus on capital efficiency yielding results: increase in ROCE to 17.8% and reduction in Net Debt to 0.7x TTM EBITDA

(1) ROCE (Return on Capital Employed) on a trailing twelve month basis; adjusted for INR 57 mm of Transition Services Agreement (TSA) related expense

(2) Non-Oral category has been renamed as Personal Care, consisting of Beauty & Cosmetics, Pharmaceuticals, Food, and Home categories



EPL 2.0 Mission: Capital Efficient, Consistent Earnings Growth

(INR million)

	Q3FY19	Q3FY20	Growth		
Growth ¹	Revenue	6,944	7,108	3.7%	↑
	Adjusted EBITDA	1,315	1,542	17.3%	↑
	Adjusted EPS (INR)	1.44	2.04	40.9%	↑
Capital Efficiency	ROCE ²	16.7%	17.8%	117 bps	↑
	Net Debt	6,149	3,611		↓
	Capex	FY19 3,040	9MFY20 957		↓

(1) Revenue growth shown at constant currency; 2.4% revenue growth on reported basis. Refer page 25 for details on Adjusted EBITDA and Adjusted EPS

(2) Return on Capital Employed, defined as EBIT / Average Capital Employed, on a trailing twelve month basis; adjusted for INR 57 mm of TSA related expense



Continued Momentum: Strong Revenue and Earnings Growth, with Focus on Prudent Capital Allocation

(INR million)

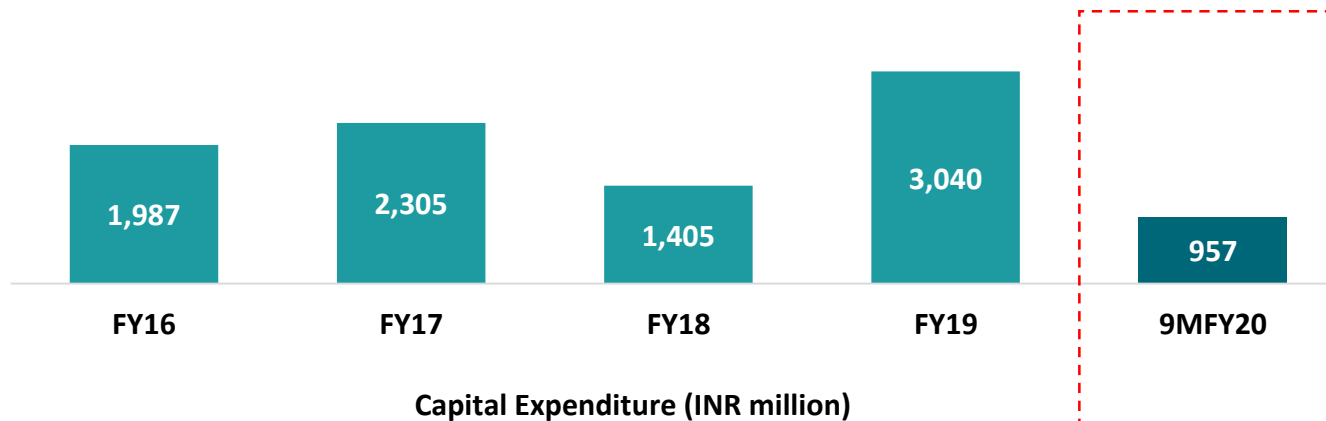


(1) EBITDA and EPS for Q2FY20 and Q3FY20 are on an adjusted basis as mentioned in the respective earnings presentations

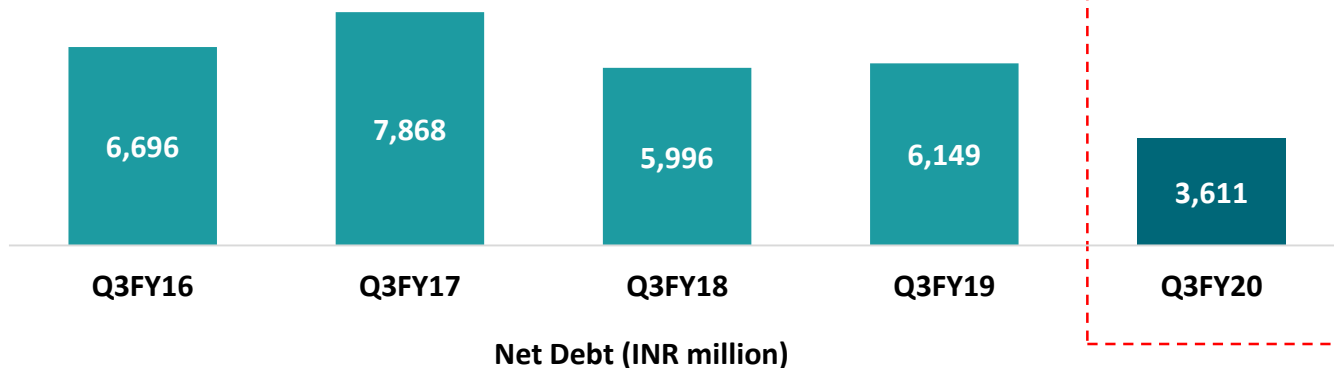


Renewed Focus on Capital Efficiency is Driving Reduction in Net Debt

Prudent Capex Spend..



..Leading to Reduction in Net Debt

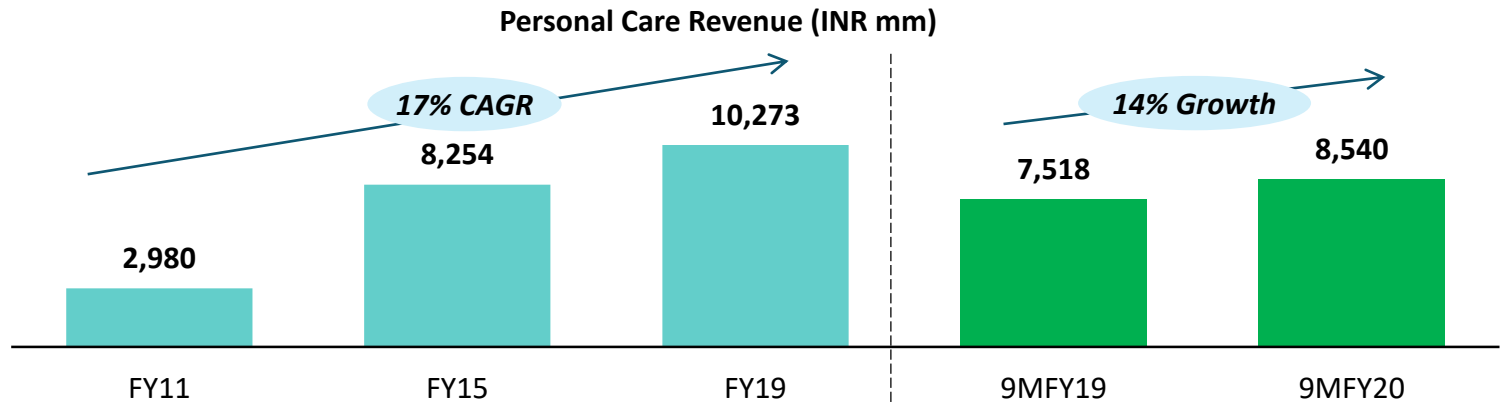


Key Business Highlights – Q3FY20

- **Accelerated growth in Personal Care**
- Continued leadership in Oral Care
- Improved Performance in Europe
- Industry leadership in eco-friendly solutions



Personal Care has Tripled over Last Eight years and Continues to be the Major Growth Driver for the Company

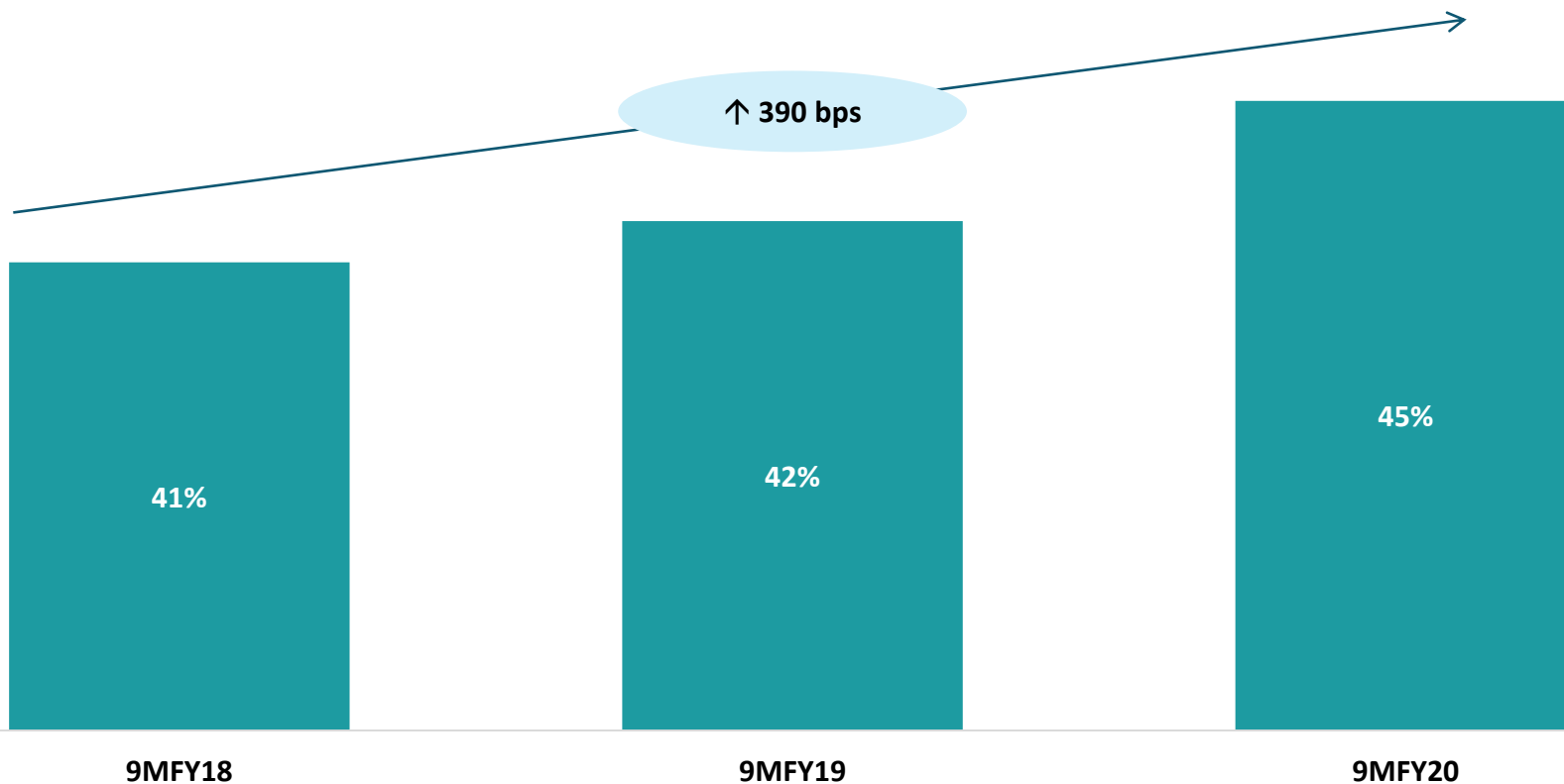


Sub-categories

Face Care	✓	✓	
Hair Care	✗	✗	Refer case study on page 14
OTC Medication	✗	✓	
Prescription Medication	✗	✗	
Food	✗	✓	
Home	✗	✗	
Eye Care	✗	✗	Actively pursuing
Hand Cream	✗	✗	

Personal Care in 9MFY20 Contributed to 45% of Tube Revenue

Personal Care Contribution to Tube Revenue



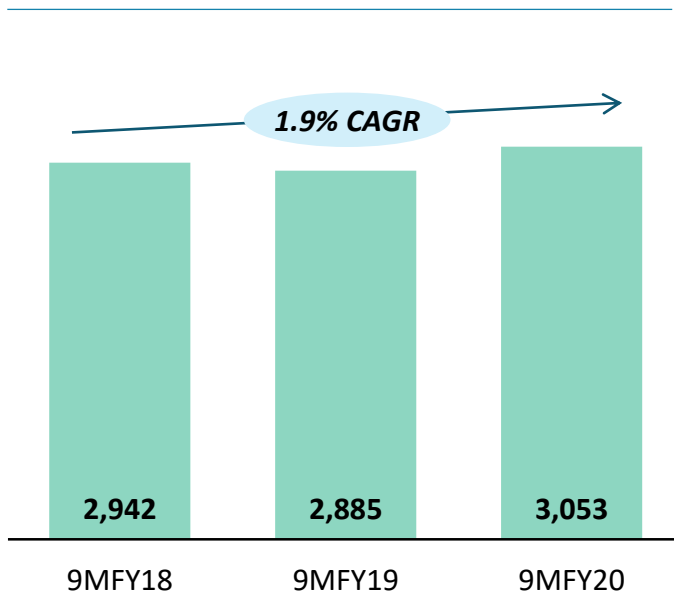
Mix shift towards Personal Care to continue, driven by increasing penetration of laminated tubes in the end-industry



Continued Growth in Personal Care (1/2)

(INR million)

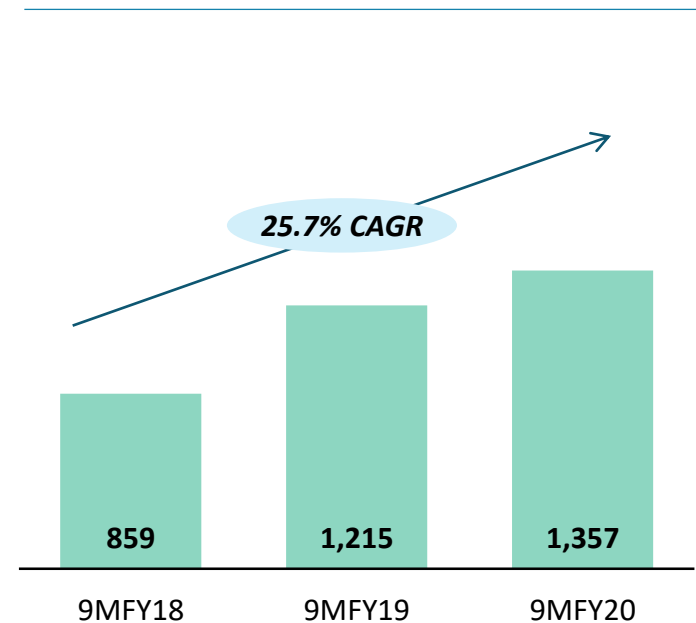
AMESA



Highlights

- ▶ Personal Care contribution increased to 50.8% in 9MFY20 (v/s 50.6% in 9MFY18)
- ▶ Continued market leadership with successful entry in several new categories, despite weak macroeconomic conditions

EAP



Highlights

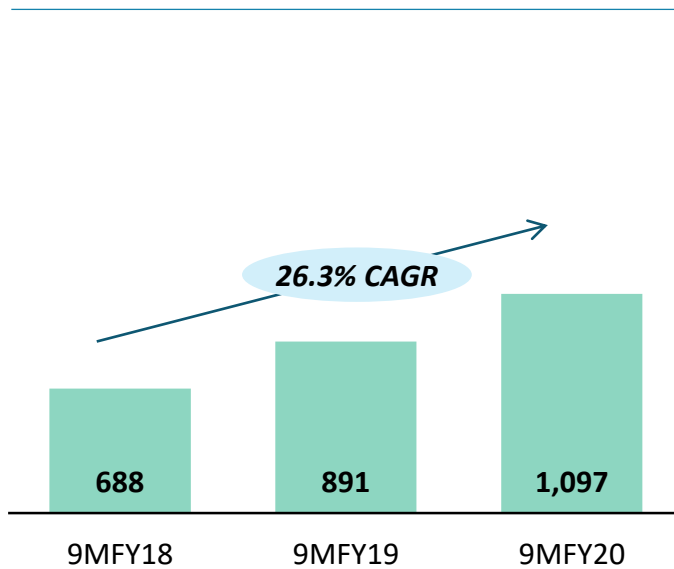
- ▶ Personal Care contribution increased to 34.7% in 9MFY20 (v/s 26.2% in 9MFY18)
- ▶ Strong business pipeline; increased focus on fast-growing regional players



Continued Growth in Personal Care (2/2)

(INR million)

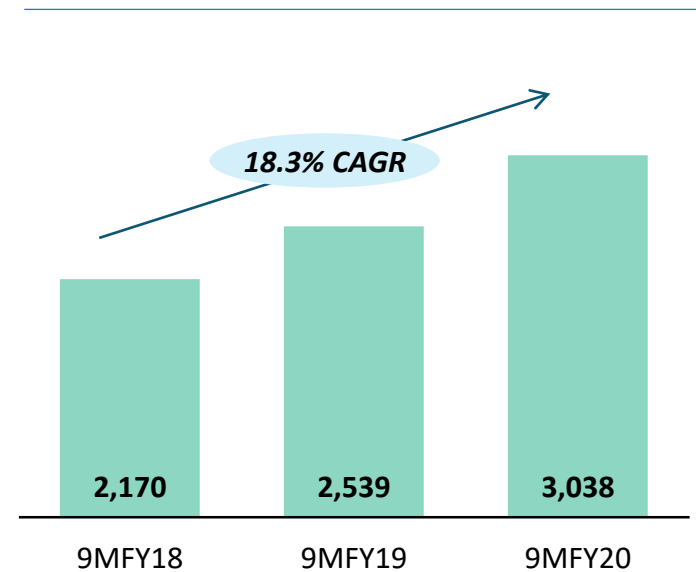
Americas



Highlights

- ▶ Personal Care contribution increased to 25.7% in 9MFY20 (v/s 19.8% in 9MFY18)
- ▶ New customer wins across categories and cross-selling Personal Care products to existing Oral care customers

Europe



Highlights

- ▶ Personal Care contribution increased to 64.4% in 9MFY20 (v/s 61.0% in 9MFY18)
- ▶ Healthy business development pipeline across Oral and Personal Care categories



Case Study

EPL Continues to be the Leader in Driving Conversion to Laminated Tubes in the Personal Care Industry

Key Customer Challenges

EPL Offered a Better Product

Impact

Beauty & Cosmetics

Conversion of Leading American & French Hair Care Brands to Tube Format

Case Study: Rigid Bottle to Flexible Laminated Tube



- ✗ Higher usage of plastic
- ✗ High product retention
- ✗ Limited aesthetics
- ✗ No differentiation
- ✗ Label – limited branding

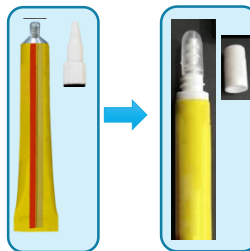
- ✓ Lower total cost of ownership
- ✓ Sustainability (source reduction)
- ✓ Excellent aesthetics and branding
- ✓ Convenient dispensing
- ✓ Differentiation on shelf

Entry of lamitubes has opened up new market opportunity in Hair Care

Pharma

Conversion of Aluminium Tubes to Lamitubes for Mouth Ulcer Gels

Case Study: Aluminum Tube to Laminated Tube



Rough / Inconvenient

Soft / Consumer Friendly

- ✗ Inconvenient applicator
- ✗ High product retention
- ✗ Limited aesthetics / text distortion
- ✗ High dents & deformities
- ✗ Sharp edges

- ✓ Excellent aesthetics
- ✓ New shoulder developed for special applicator
- ✓ Safe and convenient dispensing
- ✓ Hygienic for spot applications

Compared to aluminium tubes, lamitubes offer a more hygienic, painless, and convenient dispenser for mouth ulcer gels and ointments

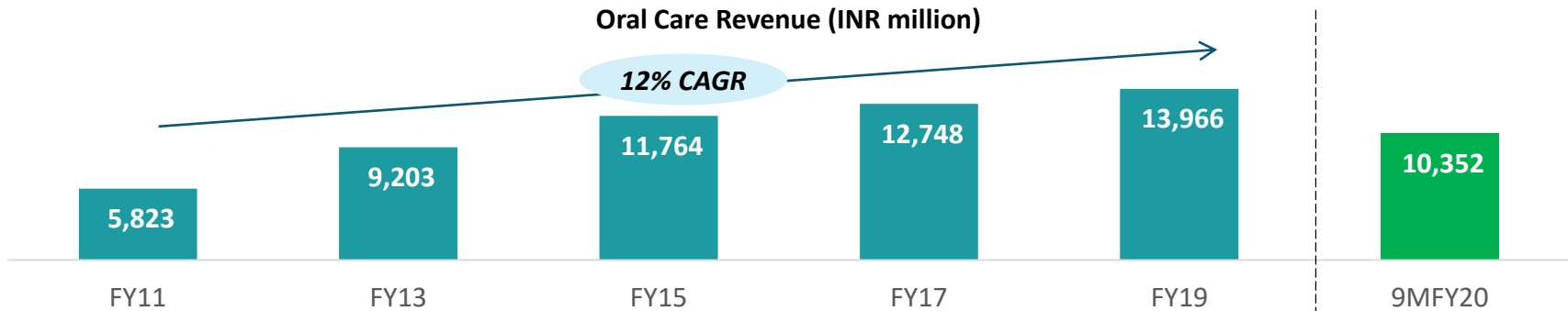


Key Business Highlights – Q3FY20

- Accelerated growth in Personal Care
- **Continued leadership in Oral Care**
- Improved Performance in Europe
- Industry leadership in eco-friendly solutions



EPL has Established Global Leadership in Oral Care with the Segment Demonstrating Steady Long-Term Revenue Growth



Customers



Market Positioning

#1

1. Market leader across key markets
2. Long term relationships with customers
3. Continued leadership through product and process innovation
4. Unique, agile, and customer-specific supply chain models

Business highlights

1. Wallet share gain with marquee global consumer companies in Europe
2. Market share gain from regional players in China
3. Wallet share gain in the leading Oral brands in Americas

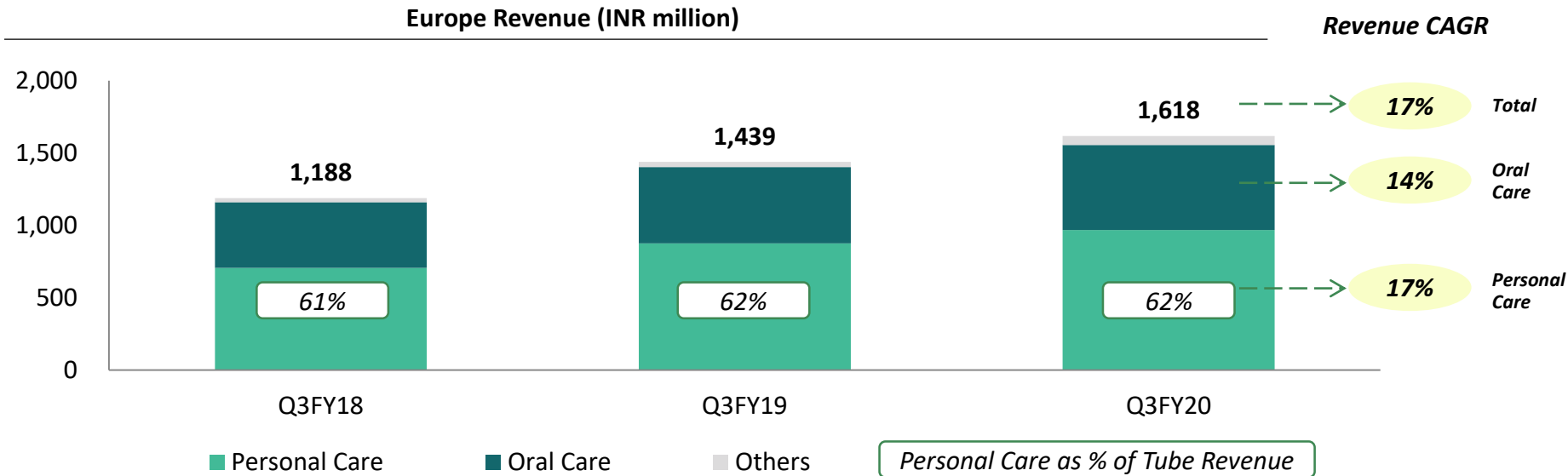


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Continued Growth Momentum in Europe across Oral and Personal Care Categories



Efforts/Investments in last few quarters starting to show results

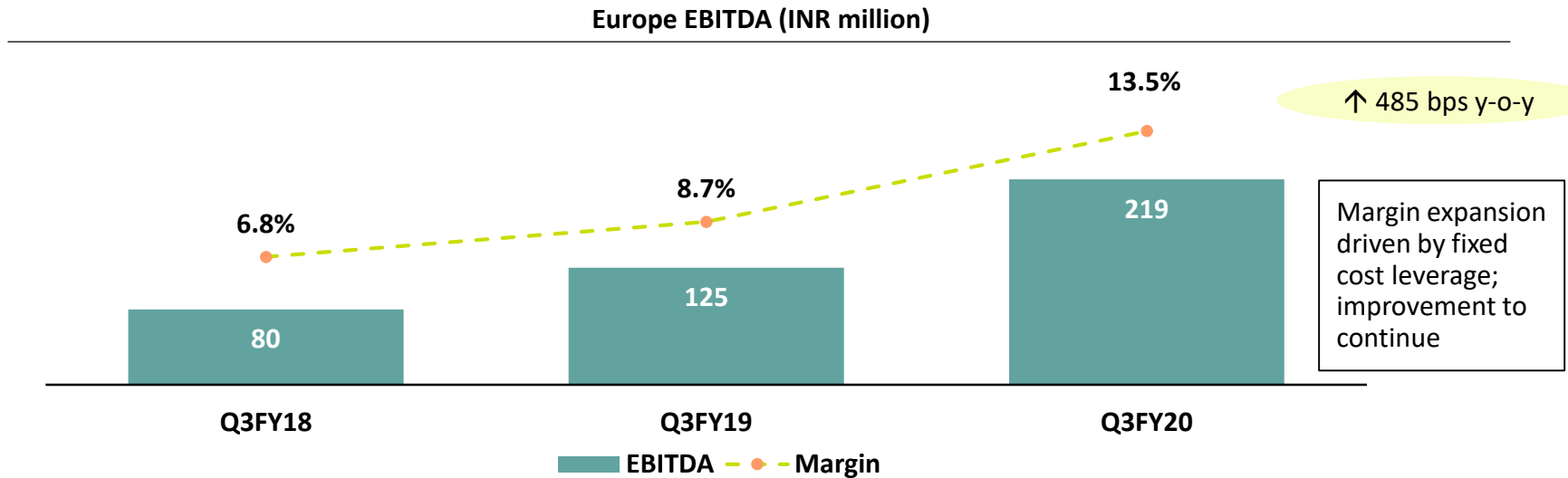
1. Strengthening of front-end organization
2. Improved pipeline development process
3. Investments in capabilities and flexibilities
4. High customer engagement driven by best-in-class offerings and service levels

Impact

1. Q3 revenue growth of 16.7% YoY at constant currency
2. Accelerated growth across categories
3. Significant new customer wins/cross-sell in key customer accounts

Strong future business pipeline, especially in Beauty & Cosmetics and Oral Care, indicates growth momentum will continue

Leading to Strong EBITDA Growth and Margin Improvement



Key elements to profit growth

1. Revenue growth contributing to fixed cost leverage
2. Shift towards premium products
3. Lean initiatives and productivity improvement

Impact

1. Q3FY20 EBITDA growth of 75.3% YoY
2. Margin expansion by 485 bps
3. Scope for further margin improvement in coming quarters through continued improvement in utilization

Sustained revenue growth momentum will lead to further improvement in margins



Key Business Highlights – Q3FY20

- Accelerated growth in Personal Care
- Continued leadership in Oral Care
- Improved Performance in Europe
- **Industry leadership in eco-friendly solutions**



Sustainability: an Intrinsic Value at EPL

Committed to sustainability by offering innovative solutions across product categories



Recycle	<p>Platina</p> <p>Oral Care</p>		<ul style="list-style-type: none"> Fully-recyclable (Code 2) laminate Suitable for oral, hair care and food products 	<p><i>Successful APR Recognition</i></p>
	<p>Green Maple Leaf</p> <p>Personal Care</p>		<ul style="list-style-type: none"> Fully-recyclable solution that maintains product freshness Suitable for beauty & cosmetics, toiletries and food products 	<p><i>Successful APR Recognition</i></p>
Reduce	<p>All above sustainable tube laminates are designed to reduce plastic consumption viz. plastic tubes & bottles</p>			
Reuse	<p>Etain</p> <p>PCR¹ Tubes</p>		<ul style="list-style-type: none"> Recyclable tube made using a percentage of recycled plastic Suitable for beauty and skin care, hair care and oral products 	

Partnering with marquee global consumer companies on sustainability initiatives

(1) PCR: Post consumer recycled

Strong Traction and Acceptability of EPL's Sustainable Offerings by Leading Global Customers

Enabled leading Oral Care player ship world's first recyclable tube

- EPL designed an APR certified recyclable laminate for a key client (leading Oral Care player) – an industry-first innovation by EPL
- Worked actively with the client to test the laminate and helped commercialize the product



Leading Oral Care Players Recognized EPL's Efforts and Innovation Capabilities



Colgate-Palmolive Ships World's First Tube Recognized as Recyclable and Freely Shares its Breakthrough Technology

...making use of the testing standards established by Colgate, one major tube maker, Essel Propack, earned APR recognition...

Commercialization of sustainable tubes for a major Oral brand in the US



Recognized by



The Association of Plastic Recyclers

- First commercial lots of Platina lamitubes delivered to top multinational brand: market launch scheduled in March 2020
- Commercialization of sustainable tubes for two other customers ongoing and to be launched in market soon

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**With Blackstone as the new controlling shareholder, our mission is to deliver:
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2

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3

Identified levers to execute our mission:

- **Accelerated growth in Personal Care**
- **Continued leadership in Oral Care**
- **Innovation and sustainability solutions**
- **Prudent capital allocation across regions**

4

Continued traction visible in Q3FY20 results





Appendix



Adjusted EBITDA Grew by 17.3% Y-o-Y & Adjusted PAT Grew by 41.1% Y-o-Y

(INR million)

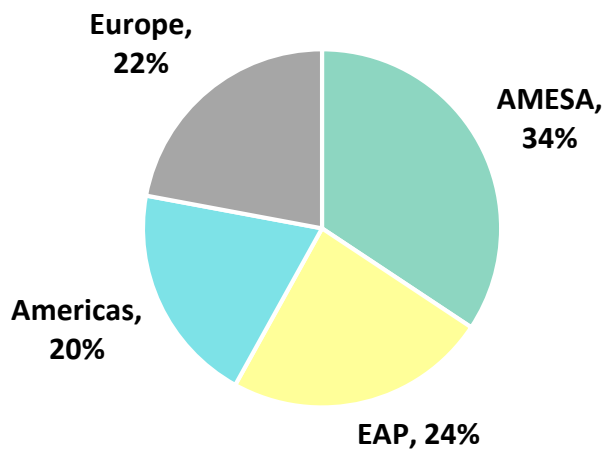
<i>Adjustments</i>	EBITDA	PAT
Reported Q3FY20 numbers	1,579	601
• TSA ¹ related expenses	+40	+30
• Impact of change in accounting standard for leases	-77	+11
Adjusted Q3FY20 numbers	1,542	642
Reported Q3FY19 numbers	1,315	455
Like for Like Y-o-Y Growth (%)	17.3%	41.1%

(1) Transition Services Agreement

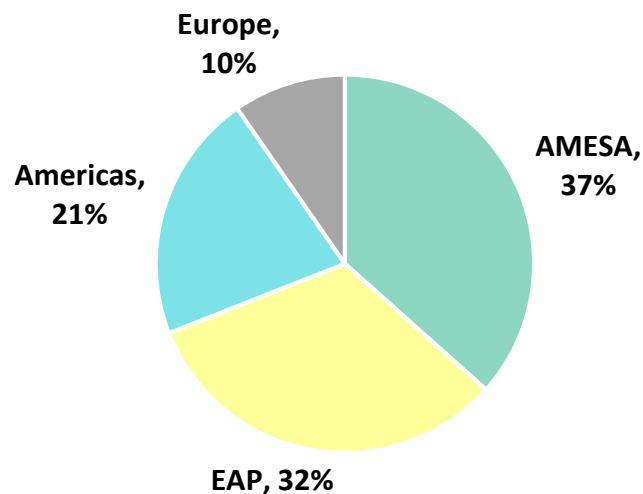


Q3FY20 Regional Performance – 1/2

Revenue Split % across Regions



EBIT Split % across Regions



- Q3FY20 revenue grew by 2.4% y-o-y (3.7% at constant currency) driven by strong revenue growth in Europe
- Revenue growth impacted by ~1.5% due to pass through of lower raw material prices to customers
- Q3FY20 EBIT grew by 18.3% y-o-y and EBIT margin expanded by 189 bps y-o-y
- Strong business pipeline across regions to enable continued growth momentum



Q3FY20 Regional Performance – 2/2

(INR million)

	Revenue	YoY Growth	EBITDA ¹	Margin
AMESA¹	2,516	-0.9%	661	26.3%
EAP	1,740	1.0%	438	25.2%
Americas	1,457	-1.4%	308	21.1%
Europe	1,618	12.4%	219	13.5%

(1) EBITDA excludes INR 40 mm of TSA related expenses.



Q3FY20 Performance – AMESA and EAP

(INR million)

AMESA			
Particulars	Q3FY20	Q3FY19	% change
Revenue	2,516	2,538	-0.9%
EBITDA ¹	661	561	18.0%
EBITDA %	26.3%	22.1%	
EBIT ¹	409	365	12.1%
EBIT %	16.3%	14.4%	

EAP			
Particulars	Q3FY20	Q3FY19	% change
Revenue	1,740	1,723	1.0%
EBITDA	438	412	6.3%
EBITDA %	25.2%	23.9%	
EBIT	327	321	2.0%
EBIT %	18.8%	18.6%	

(1) Excludes INR 40 mm of TSA related expense



Q3FY20 Performance – Americas and Europe

(INR million)

Americas			
Particulars	Q3FY20	Q3FY19	% change
Revenue	1,457	1,477	-1.4%
EBITDA	308	238	29.5%
EBITDA %	21.1%	16.1%	
EBIT	215	165	30.3%
EBIT %	14.8%	11.2%	

Europe			
Particulars	Q3FY20	Q3FY19	% change
Revenue	1,618	1,439	12.4%
EBITDA	219	125	75.3%
EBITDA %	13.5%	8.7%	
EBIT	97	16	496.9%
EBIT %	6.0%	1.1%	





About EPL



EPL: Company Overview

**Largest laminated
tubes
manufacturer**

~8 bn Tubes

**Global Leader in
Oral Care**

#1 Globally

**Growing
emergence in
Personal Care**

45% contribution

**Strong
relationships with
marquee FMCG
customers**

20+ years

**Best in class
EBITDA Margins**

20.2%

**Best in class
ROCE**

17.8%

Global Footprint

**20+ factories
10+ countries**

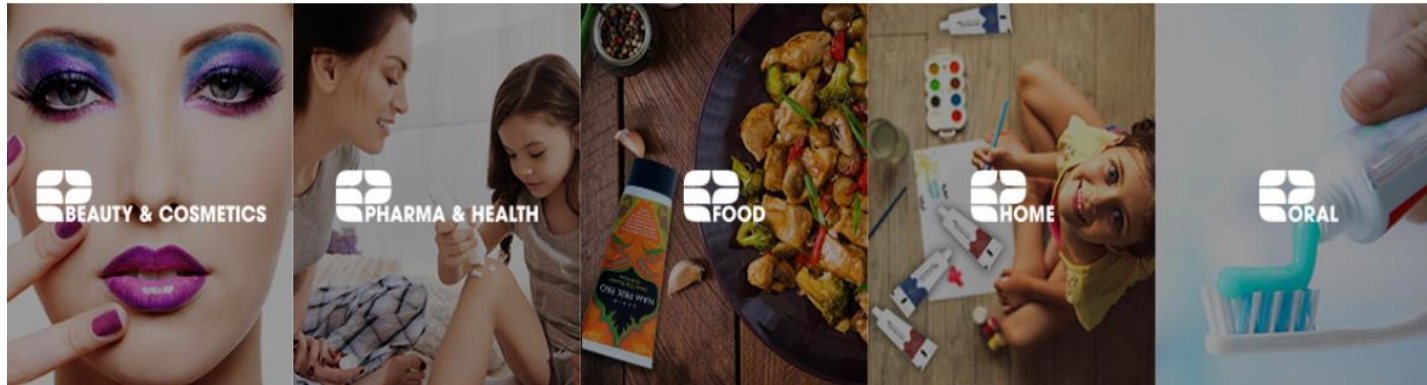
**Strong Innovation
Platform**

**150+ patents
filed**

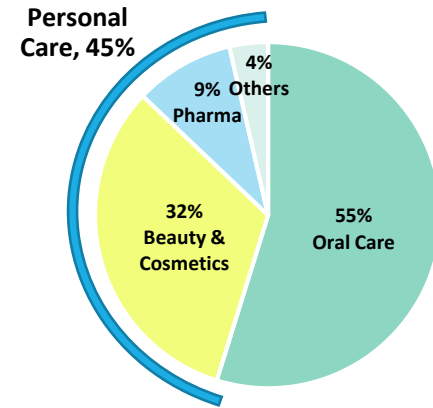
**With sustainability
focus**



EPL Caters to Marquee Customers Across Trillion Dollar Categories



Tube revenue split (9MFY20)



About EPL

EPL is the largest global specialty packaging company, manufacturing laminated plastic tubes catering to the FMCG and Pharma space. Employing over 3,366 people representing over 25 different nationalities, EPL functions in ten countries through 20 state of the art facilities, and is continuing to grow every year.

EPL is the world's largest laminated tube manufacturer with units operating across countries such as USA, Mexico, Colombia, Poland, Germany, Egypt, Russia, China, Philippines and India. These facilities cater to diverse categories that include brands in Oral Care, Beauty & Cosmetics, Pharma & Health, Food, and Home, offering customized solutions through continuously pioneering first-in-class innovations in materials, technology and processes.

Essel Propack Limited

CIN : L74950MH1982PLC028947

For further information contact:

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amit.jain@epglobal.com

