

PPFL/SE/2019-2020/17

February 13, 2020

To,

**BSE Limited**  
25th Floor, P.J Towers,  
Dalal Street, Mumbai-400001

**National Stock Exchange of India Limited**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E), Mumbai -400051

**Scrip Code: 542907**

**Scrip Code: PRINCEPIPE**

Dear Sir/Madam,

**Sub: Presentation at Investor Conference organised by Edelweiss Financial Services Limited**

In continuation to our letter No. PPFL/SE/2019-2020/16 dated February 13, 2020, please find enclosed presentation for Investor Conference organised by Edelweiss Financial Services Limited on February 14, 2020.

Kindly take the same on record.

Thanking You.

Yours faithfully,

**For PRINCE PIPES AND FITTINGS LIMITED**



**Pravin Jogani**

**Company Secretary & Compliance Officer**

Encl. as above.



75% of households do not have drinking water on the premises \*

By 2030, 40% of population will have no access to drinking water \*

600 million Indians face high to extreme stress over water \*

85% of rural households do not have access to piped water \*

70% of India's water is contaminated \*

6% of India's GDP will be lost because of the water crisis \*

### **SWACHH BHARAT MISSION**

To achieve universal sanitation coverage and to put focus on sanitation.  
Budget - Rs. 12,294 cr.

### **AMRUT**

Providing basic civic amenities like water supply, sewerage, urban transport, parks as to improve the quality of life.  
Budget - Rs. 77,640 cr.

### **SMART CITY MISSION**

To drive economic growth and improve the quality of life of people by enabling local area development and harnessing technology.  
Budget - Rs. 6,450 cr.

# Clean Water. Safe India.

Jab **piping systems** honge leak-free,  
India banega disease-free.



# INVESTOR PRESENTATION

## Q3 & 9M FY 2020



# Disclaimer



Certain statements in this communication may be 'forward looking statements' within the meaning of applicable laws and regulations. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward looking statements. Important developments that could affect the Company's operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.

Prince Pipes and Fittings Limited (PPFL) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.



Industry  
Overview



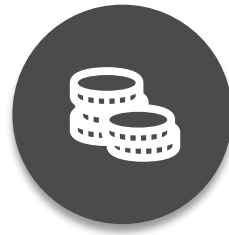
About Us



Key  
Strengths



Leadership  
Profile

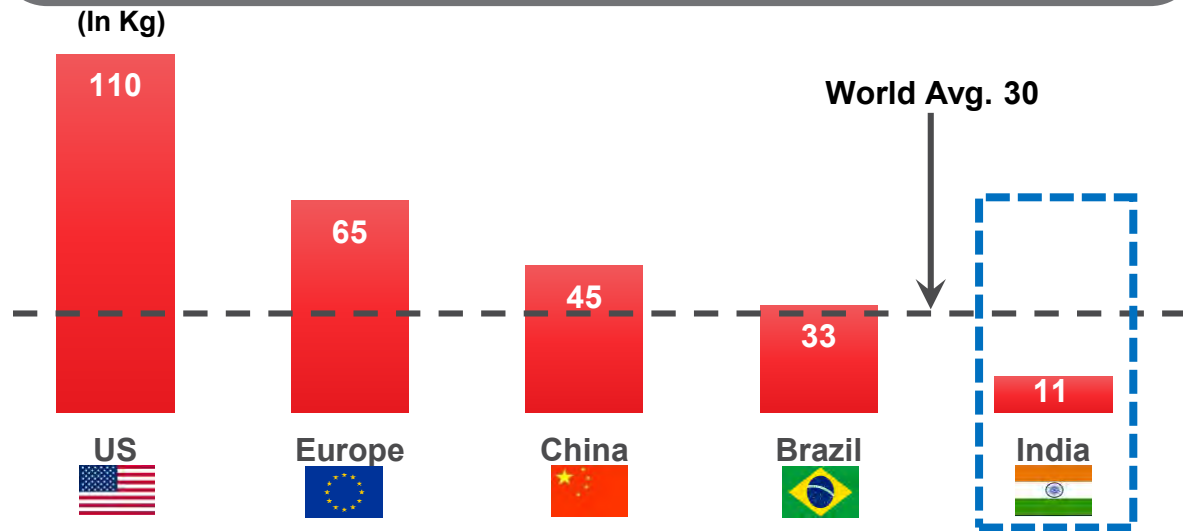


Financials

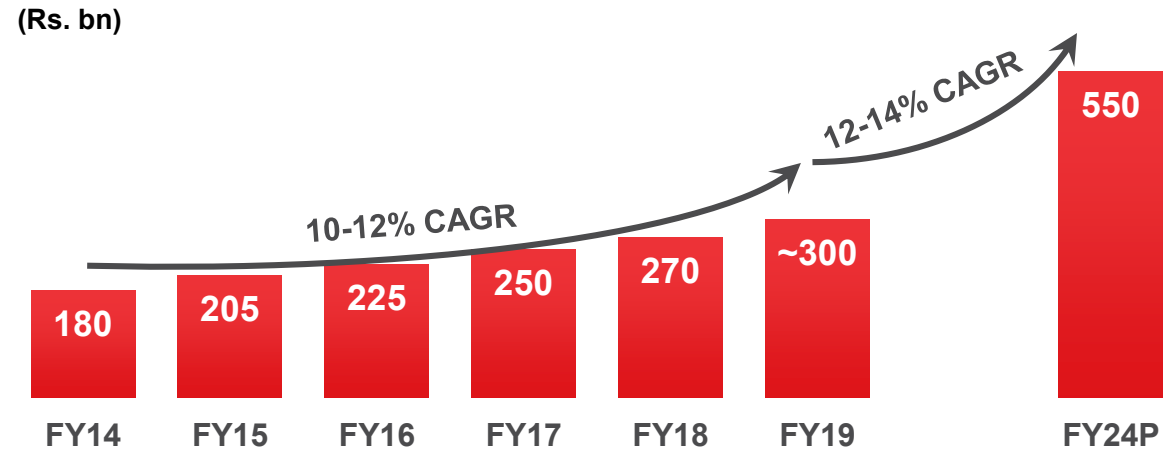


Outlook

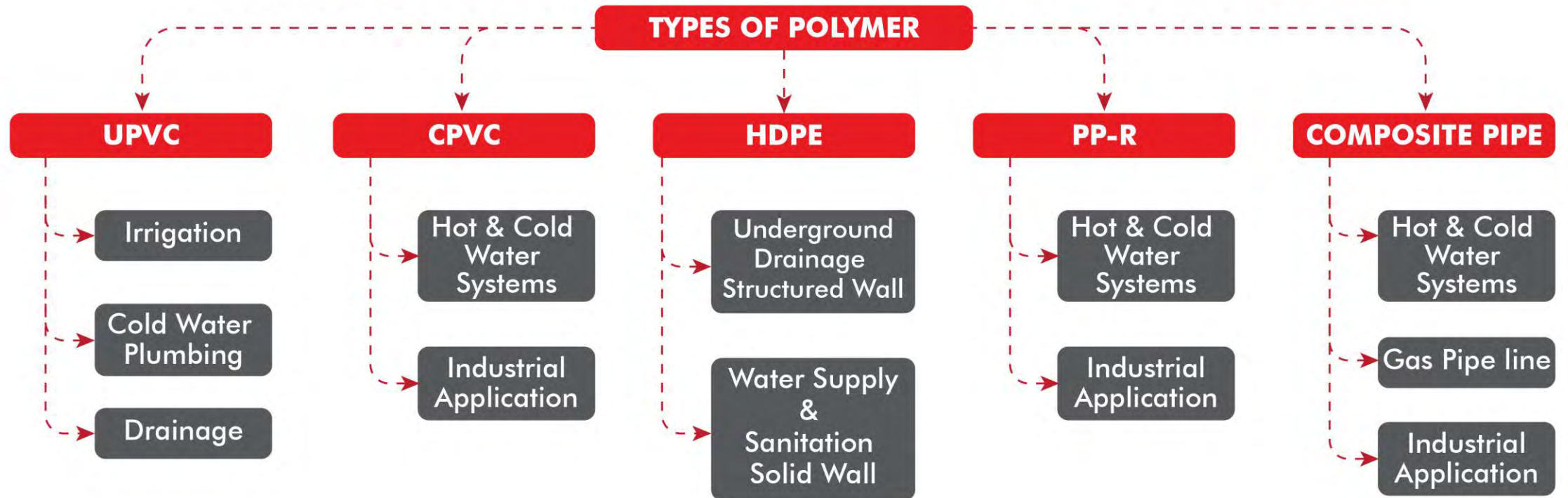
## India's low Per Capita Plastic Consumption vs World Avg.



## Domestic Plastic Pipes & Fittings Market Size



# Types of Polymers & Applications





# Multiple Growth Drivers

## Substitution Demand from Metal Pipes



superior advantages over metal pipes



Replacement demand of older pipes with plastic pipes

## Government Initiatives



Set up of **Jal Shakti Ministry**



'**Nal se Jal**' scheme to offer piped water to every rural house by 2024

## Irrigation



Irrigation Investment to grow at 10%-11% (FY18-FY23)



Fiscal 2018 Budget increased allocation to PMKSY

## Real Estate



Smart Cities Mission and Affordable Housing



Urbanisation (Traction in tier II & III cities)

# Big getting Bigger

Government Initiatives like

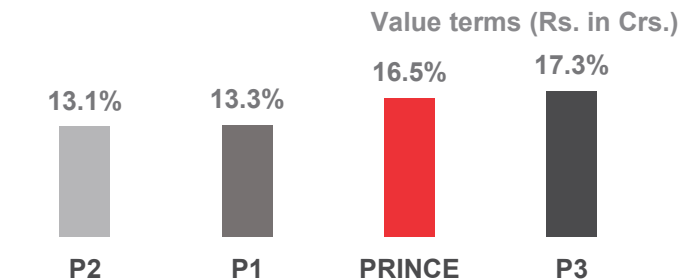
GST, Demonetisation

BIS Strict implementation of Quality norms

Multiple Fringe National & Regional players facing major balance sheet constraints



Major market share up for grabs



PRINCE gains market share over the last 7 years compared to its peers

Prince Pipes is amongst the Front Runner Beneficiary

Pan India manufacturing and distribution network focusing on Service + Scale + Range

Building a strong brand equity and positioning by consciously investing into brand building through various ATL, digital, BTL initiatives

Scaling up of manufacturing footprints with two additional greenfield plants

Demonstrated ability to grow with an expanding market share over last 7 Years

# About Us



Promoted by  
Chheda  
Family

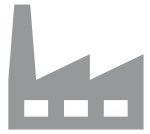
More than 3  
decades of  
Operations

Amongst Top  
5 Processor in  
Piping  
Industry

Strategic  
located  
Manufacturing  
units

Largest  
Range of  
SKU's

Industry's  
Most  
Trusted  
Brand



Over **3 decades of experience** in manufacturing multi polymer piping systems

UPVC, CPVC, PPR and HDPE polymers being processed across our **6 manufacturing facilities**

Products sold through our 2 brands **Prince** and **Trubore**



A wide range of 7,167 SKU's finding application across Plumbing, Sewage, Irrigation, Industrial and Underground Drainage



**Pan India distribution** network our biggest strength – through 1,408 Channel Partners

Further more we have 11 warehouses to focus on **efficient supply & timely service**



6 State of the Art Manufacturing facilities located at Haridwar, Jaipur, Athal, Dadra, Chennai, Kolhapur

Our 7<sup>th</sup> State of the Art plant to come up in Telangana from IPO proceeds

# Strategic Distribution & Factory Network



1

Upcoming Plant

6

Manufacturing Plants

11

Depots

1408

Channel Partners

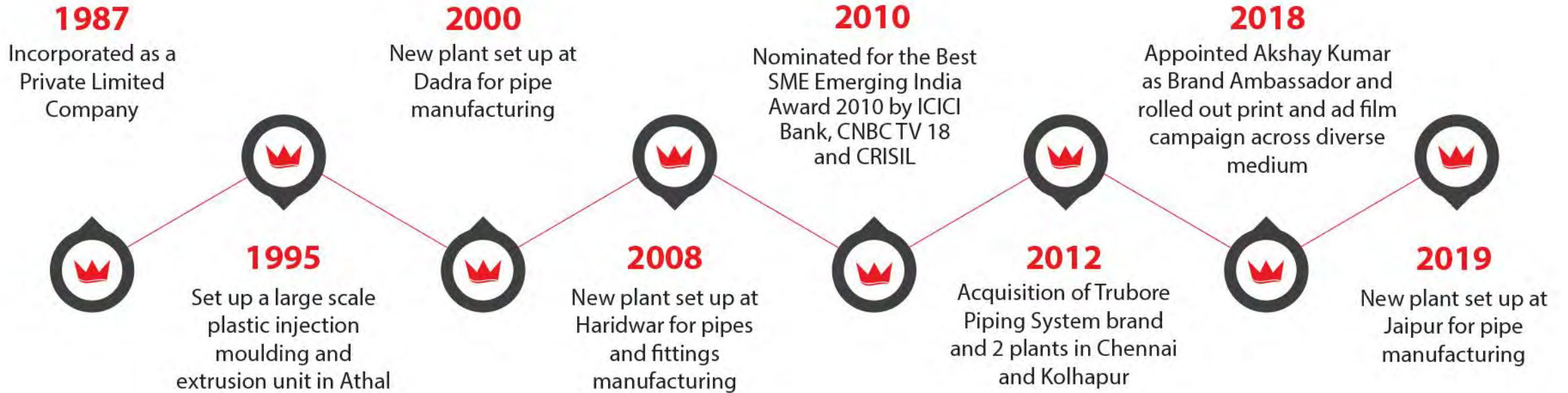
## Strategic Manufacturing locations Pan India

- Freight is a significant part of our Cost structure
- Plants located near raw material sources/ports and principal markets to improve cost efficiencies

## Unique outsourcing Strategy for East India

- Hajipur (Bihar) commenced from 2014
- Balasore (Odisha) commenced from 2019

# Our Journey



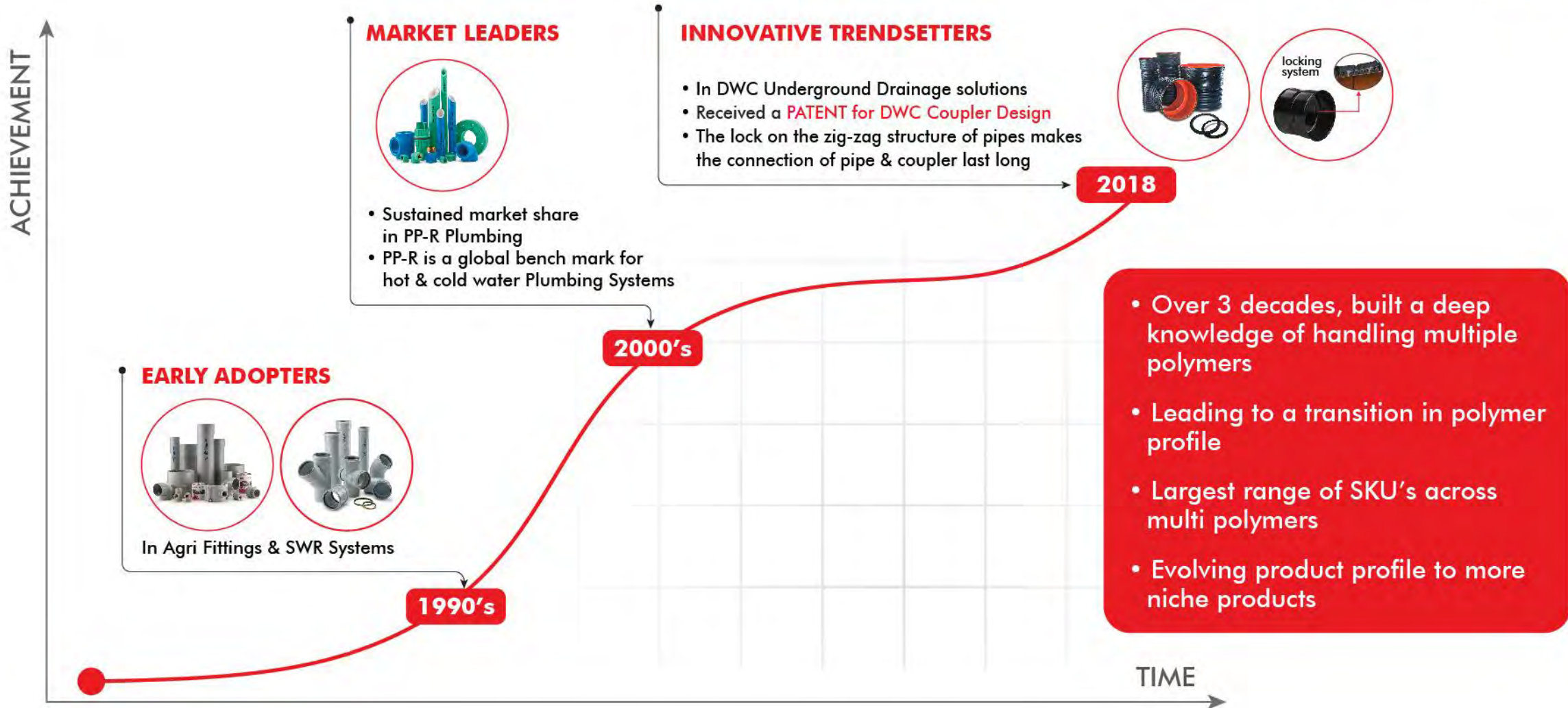
**BUILDING BLOCK OF A LEGACY**

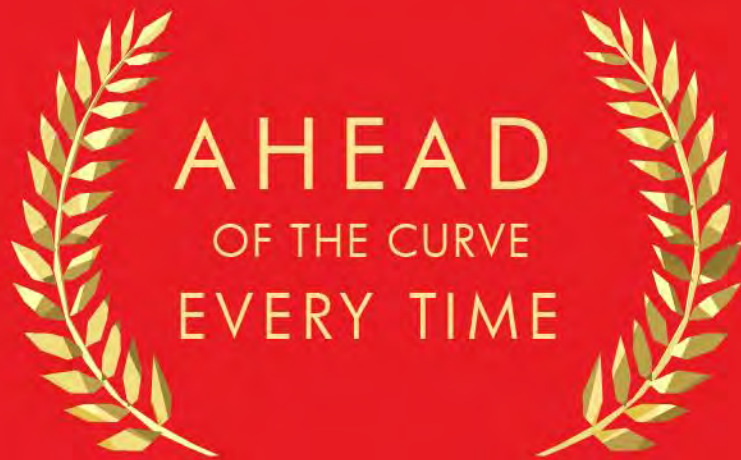
**PAN INDIA EXPANSION**

**EVOLUTION INTO A TRUSTED BRAND**



# Continuous Innovation through Thought Leadership





- **First** to move into Northern markets with a manufacturing plant at Haridwar.
- **First** among peers to demonstrate a risk appetite for inorganic growth.
- Acquired two manufacturing plants of Fairfax backed Chemplast Sanmar located at Kolhapur and Chennai, along with Trubore brand.
- **Early movers** in East with a unique asset light model.
- Strategically positioned in Bihar and Odisha, catering to the demand of the Eastern region.

# Quality & Reliability – Our Cornerstones



**2014**

CMD Shri Jayant S. Chheda received lifetime achievement award at Vinyl India



**2016**

MR. PARAG CHHEDA JMD Prince Pipes & Fittings Pvt. Ltd., was awarded the INSPIRING BUSINESS LEADERS INDIA award at THE ECONOMIC TIMES SUMMIT.



**2010**

Award for outstanding quality contribution in the pipe sector - EPC World Awards

**VINYL INDIA**

**2015**

- Indian Manufacturing Excellence Award by Frost & Sullivan
- National Awards for Excellence in Learning & Development



**2017**

Awarded for Excellence in Building & Construction (Plumbing) - Economic Times Polymers Award



# Scaling through Jaipur Plant



**JAIPUR  
PLANT**



- Production at Jaipur plant commenced in Sept, 2019 – Installed capacity of ~40kT in next 2-3 year horizon
- Being first mover in North India since 2008 with Haridwar
  - Strong first mover advantage and unparalleled brand equity in northern India
- Jaipur plant- Further improve service to Northern markets as we scale up operations to fortify our market share by efficient supplies and timely service

**~40 kT**  
Installed Capacity

# Scaling through Telangana Plant

**Upcoming integrated manufacturing Pipe and Fitting facility in Telangana**

To bolster our endeavour in scaling up our distribution reach and market penetration in Southern India



**2012**

Acquired Chennai & Kolhapur from Chemplast Sanmar Inorganic growth strategy for South India

2020 Way Forward Organic & Integrated Strategy

**Approx. 50 kT**

**Expected Installed Capacity\***

## Key Advantages



Larger tracts of land being brought under irrigation



Government projects like, affordable housing and water for all an added advantage



Strategically located in the southern market with easy availability of skilled manpower, progressive well managed state, ease of doing business, excellent infrastructure

# Brand Play - Winning In Many Indias



## WHY AKSHAY?

- Need to establish stronger bond with end consumer due to blurred lines between B2B and B2C segments
- Average Indian consumer's involvement in decision making has significantly increased
- Associate brand with a personality that matches the brand's energy and persona as well as someone who is popular among masses.
- Leveraging an already strong brand equity through a Pan India integrated mktg campaign

## COMMON TRAITS OF AKSHAY AND PRINCE



### FITNESS ICON

Committed towards  
Quality assurance

### MASS APPEAL

Pan-India presence

### VERSATILE ACTOR

Wide product portfolio

### WELL ESTABLISHED

Experience of more than  
3 decades

### KNOWN PHILANTHROPIST

Crafting its CSR strategies  
towards societal sustainability

# I. Multiple States - Single Strategy: Transit Media



Bus Branding, HYDERABAD



Bus Branding, ANDHRA PRADESH



Auto Branding @ Surat, RAJKOT -GJ



Train Branding, MUMBAI



Cab Branding, DELHI



Metro Branding, DELHI

We have extensively used **Transit media** across public transportation buses, taxis, metros, railways or train stations. We feel it is a great way to reach a really diverse audience. be it tourists, families, corporate professionals or students.

## II. Digital Marketing Campaign



### TVC

Prince Pipes launched A new television commercial featuring Akshay Kumar

### PLUMBER GAANA

The song first originally released on the occasion of World Plumbing Day (2018)



### III. Brand Association – Mission Mangal



Hoardings @ MUMBAI - MH



Auto Branding @ Ahmedabad-GJ



Dealer Meet & Greet with AK @ MUMBAI



Hoardings @ DELHI NCR, NOIDA, PATNA



Hoardings @ Pune - MH

We did co-promotional association with Bollywood movie Mission Mangal where we got to use the movie clippings to run our advertisement to break the clutter as well as smartly create a good recall value. In order to leverage on the same we used various media apertures across India viz Pre rolled ads on social media, meet & greet contest, Theatre ads, Hoardings, Auto sticker, Bus and Train branding.

# IV. Pan India-Influencer & Channel Engagement Activities



## DEALER MEETS



Digha - WB



Bengaluru - KA



Balasore - OD



Siliguri - WB

## PLUMBER MEETS



Himmatnagar - GJ



Dhanbad - JH



Plant Visit @ HARIDWAR PLANT



Vashi, MUMBAI

The Parivaar & Mitra Meets are conducted to build confidence, influence community and resolve the issues, queries regarding the product and service, introduce them to our new products, features, benefits and applications of the products respectively.

# Pan India Presence and Strategy

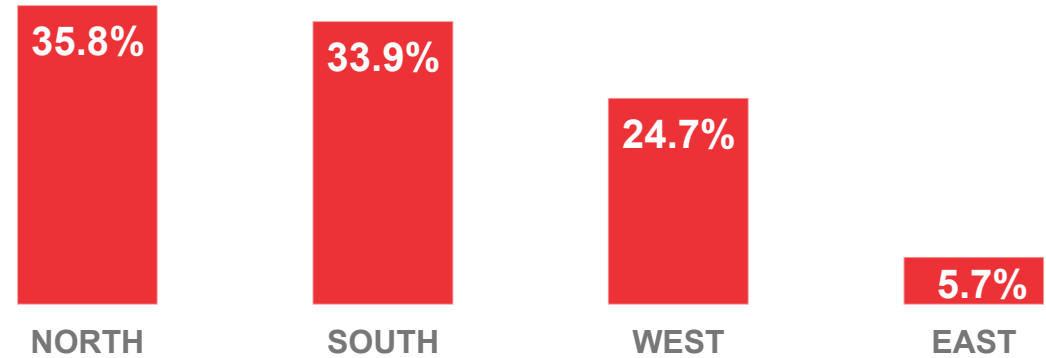


- First mover in 2008 with Haridwar plant
- To scale brand equity in North
- Next frontier of growth
- Asset light model through outsourcing
- 3 Plants across different states to capture rapid urbanization for efficient supply & Service
- Acquired Chennai plant and Trubore brand
- Setting up of an integrated plant in Telangana

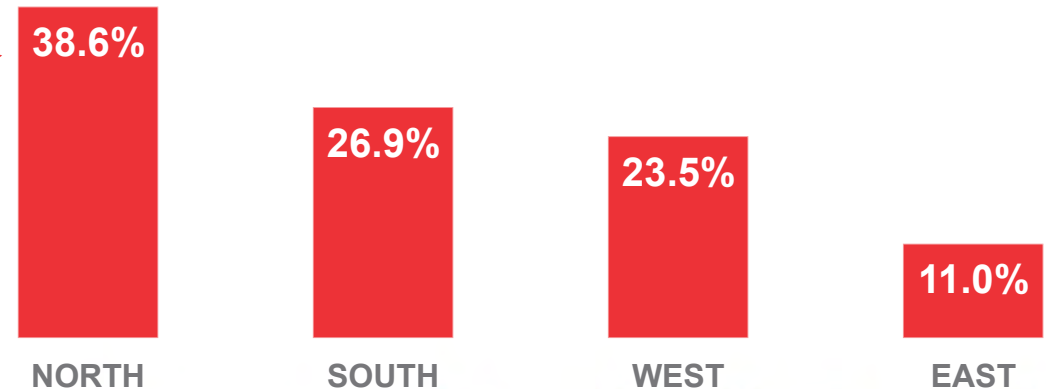


**1408** Channel Partners

## FY15 Sales Profile Geographical spread



## FY19 Sales Profile Geographical spread





# Multi Polymer Product Basket



## Plumbing Solutions Portfolio

## Irrigation Solutions



**SMARTFIT<sup>®</sup> CPVC**  
Plumbing Systems



**EASYFIT<sup>®</sup> UPVC**  
Plumbing Systems



**GREENFIT<sup>®</sup> PP-R**  
Plumbing & Industrial  
Piping Systems



**RAINFIT<sup>®</sup> UPVC**  
Roofwater Systems



**AQUAFIT<sup>®</sup> UPVC**  
Pressure & Non Pressure  
Agri Pipes & Fittings



**SAFELIT<sup>®</sup> UPVC**  
Borewell Systems

## Sewage & Underground Drainage Portfolio

## Wide Range of Pipes & Fittings SKUs



**ULTRAFIT<sup>®</sup> UPVC**  
SWR Systems  
With World Class Seals



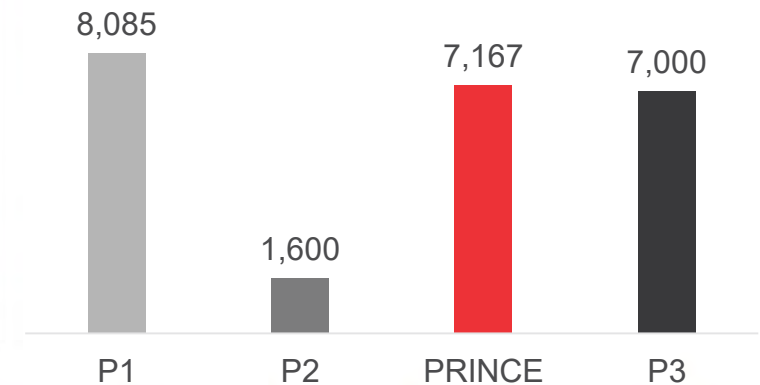
**SILENTFIT<sup>®</sup> UPVC**  
Low Noise SWR Systems



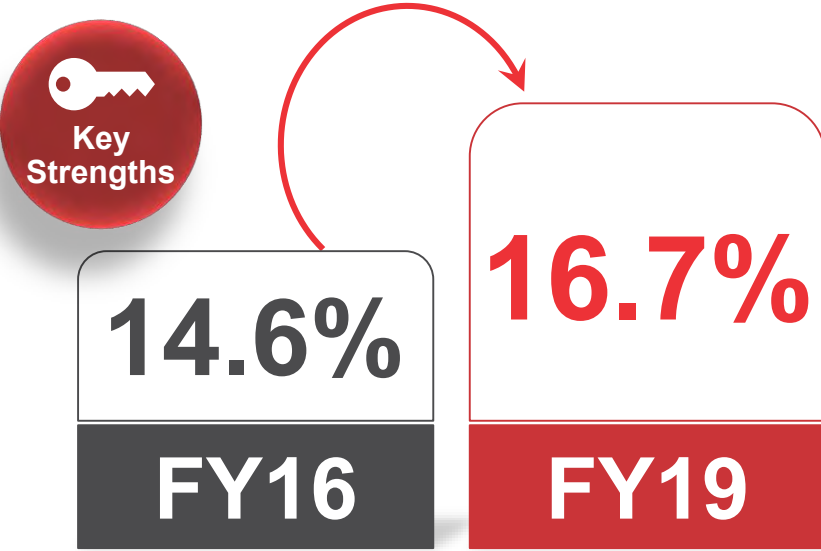
**FOAMFIT<sup>®</sup> UPVC**  
Underground Drainage  
Piping Systems



**CORFIT<sup>®</sup> HDPE**  
Underground Double Wall  
Corrugated Pipes

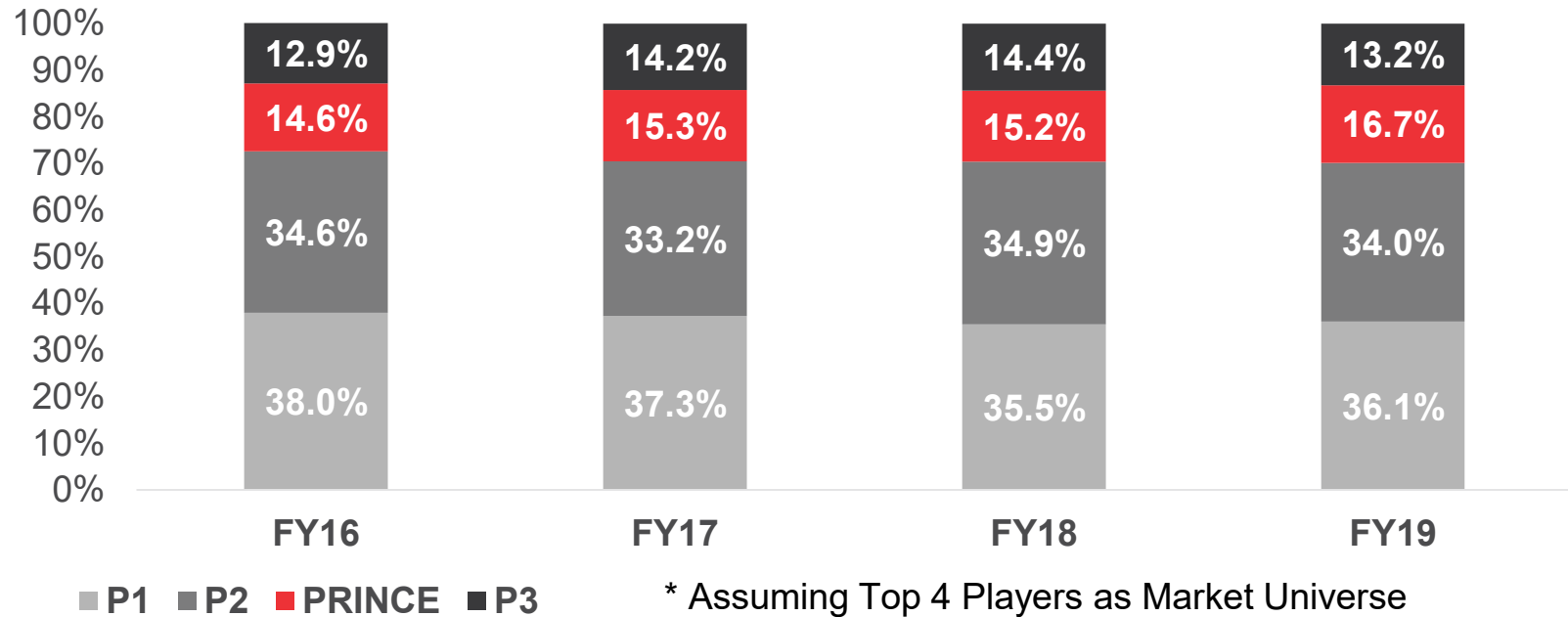


# Market share gain on multi pronged growth approach



**Market share gain in Volume terms**

## PRINCE PIPES INCREASING MARKET SHARE v/s PEERS SET



- Approach**
- 1** To outpace the industry growth by at least 2-4%
  - 2** Over the medium term thru multi-location strategy
  - 3** Multi-product and multi-brand approach

# Execution capability with thrust on margin



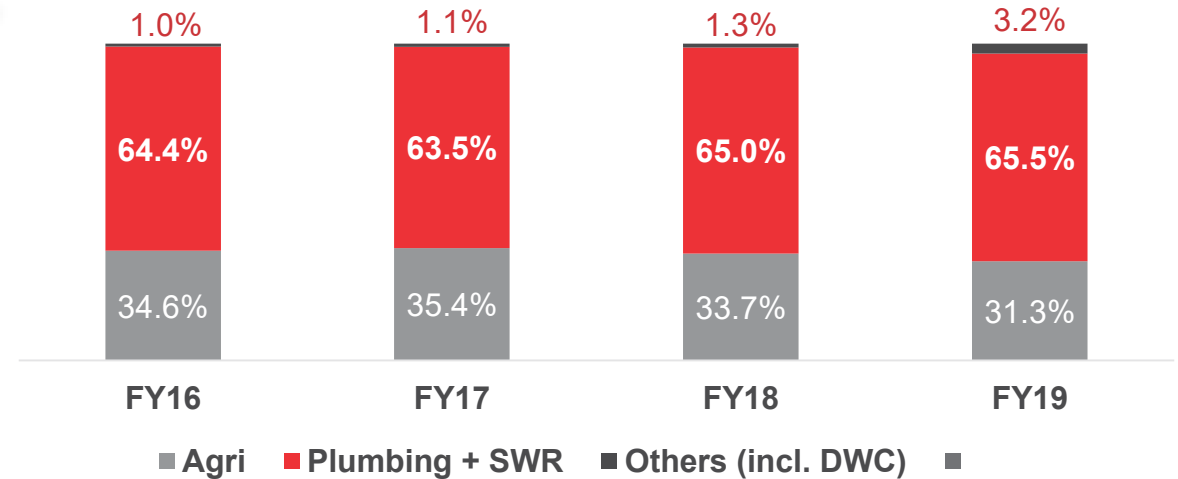
## Margin Levers

Product Mix Improvement

Brand Monetization

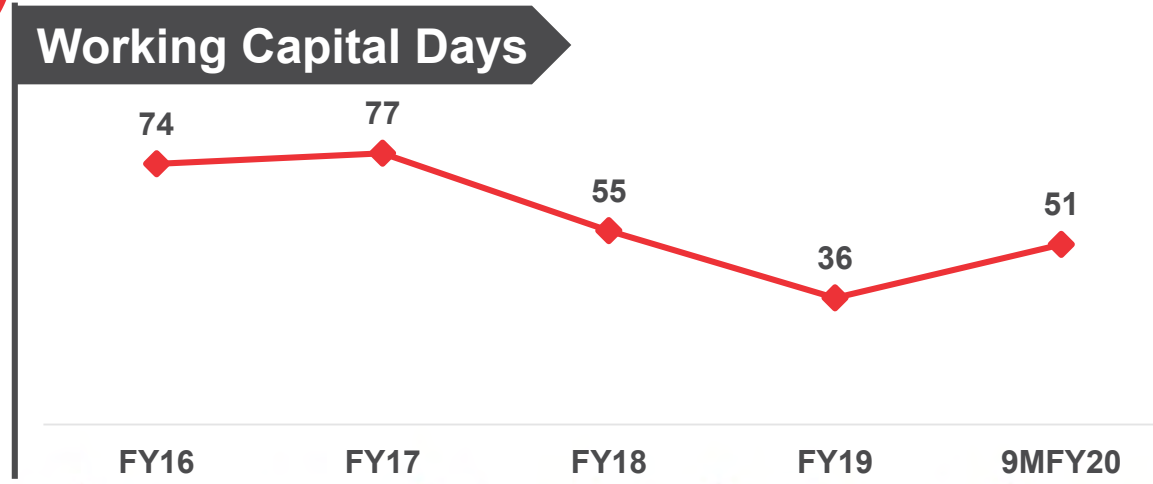
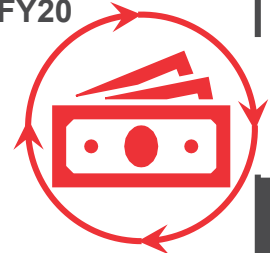
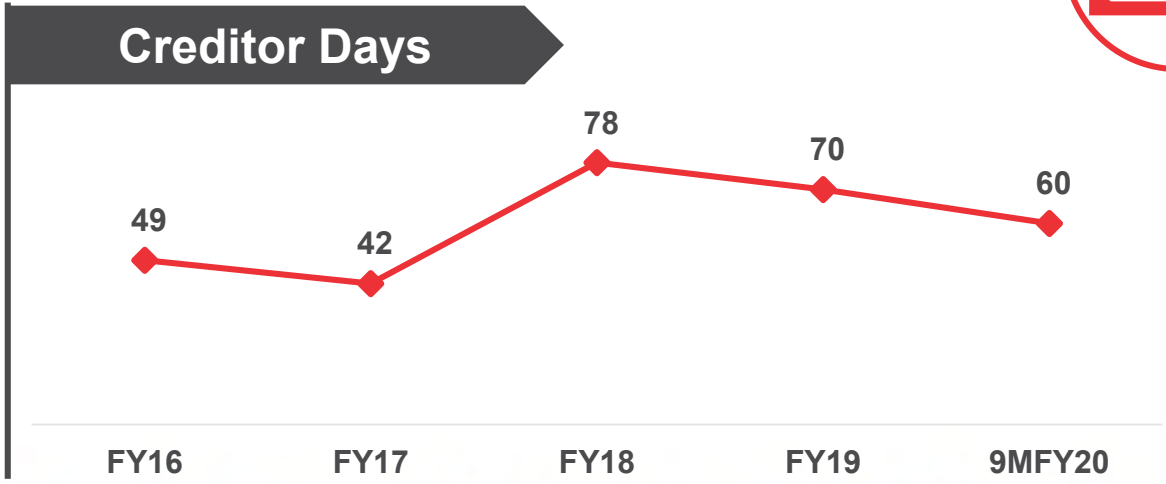
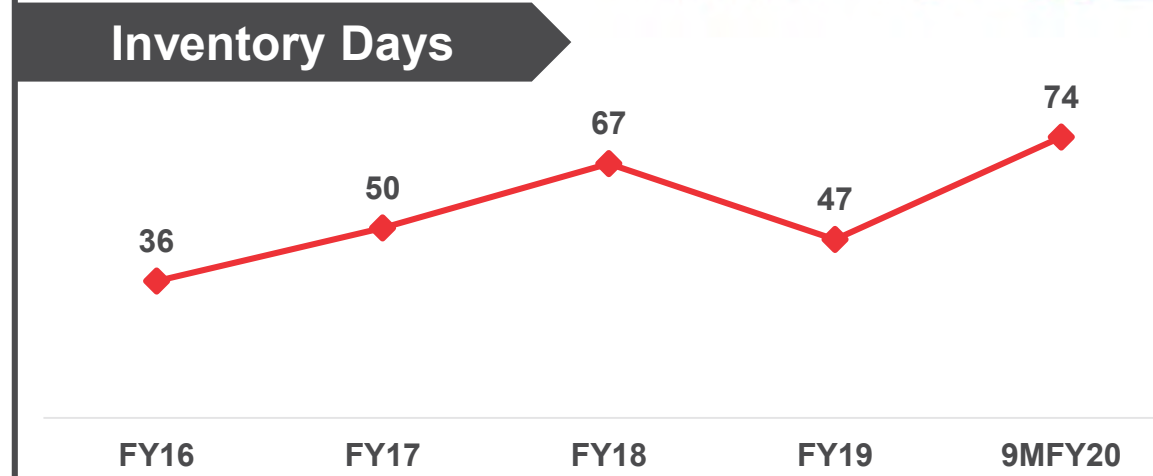
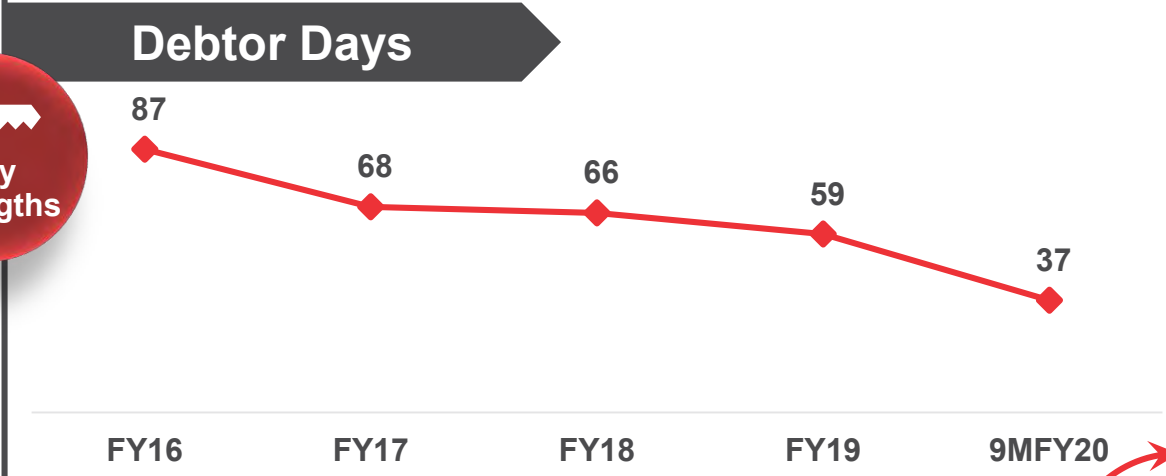
Favorable Operating Leverage due to volume growth

.....due to improvement in product-mix with rising share of Plumbing/SWR pipes



**Margin gains due to product mix change**  
Higher growth in Plumbing and Drainage Segment v/s Rest of the Portfolio

# Improvement of cash conversion cycle



# Board of Directors



## Directors

## Work Experience

## Background



**Mr. Jayant S. Chheda**  
*Founder, Chairman and MD*  
Exp. : 40+ Years

- Associated with the company since incorporation
- Awarded the Lifetime Achievement Award' at the Vinyl India Conference, 2014



**Mr. Parag J. Chheda**  
*Executive Director*  
Exp. : 25+ Years

- Associated with company since 1996, holds an associate degree in business administration from Oakland Community College
- Felicitated with the 'Inspiring Business Leader Award – 2016' at the Economic Times Summit



**Mr. Vipul J. Chheda**  
*Executive Director*  
Exp. 22+ years

- Associated with company since 1997



**Rajesh R. Pai**  
*Nominee Director*  
*MD & Founder of GEF Capital Partners*  
Exp. : 20+ Years

- MBA from University of Chicago - BOOTH
- MD at CID Capital or growth equity investment firm investing growth and expansion stage capital in the US
- Consulting & Operational capacity at American Management System, British Telecom and AT&T

# Independent Directors



## Directors Work Experience

## Directorship & Past Affiliation

## Background



**Mr. Ramesh Chandak**  
*Independent Director*  
Exp. : 40+ Years

KEC INTERNATIONAL LTD., PARAG MILK FOODS LTD., RR GLOBAL

- Directorship in multiple corporates and Chartered Accountant



**Mr. Mohinder Pal Bansal**  
*Independent Director*  
Exp. : 30+ Years

ALLCARGO LOGISTICS LTD., NAVNEET EDUCATION LTD.,

- Directorship in multiple corporates and Chartered Accountant



**Mrs. Uma Mandavgane**  
*Independent Director*  
Exp. 22+ years

ZEE MEDIA CORPORATION LTD.,

- Directorship in multiple corporates and experience in industry and consulting



**Mr. Dilip Deshpande**  
*Additional Independent Director*  
Exp. : 45+ Years

FINOLEX INDUSTRIES LTD.,

- Directorship in multiple corporates and experience in industry and professional coaching to executives

# Strong Core Professional Team



## CXO Work Experience

## Past Affiliations

## Background



**Mr. Shyam Sharda**  
*Chief Financial Officer*  
Age : 48 Years; Exp. : 22+ Years

UNITED PHOSPHOROUS LTD, S. KUMARS LTD.,

- CA in Accounts & Finance Management – ICAI
- ICWA in Costing & Finance – ICWAI (Intern)



**Mr. Vininder Singh Baweja**  
*Chief Operations Officer*  
Age : 41 Years; Exp. : 15+ Years

HINDUSTAN UNILEVER LTD., VOLVO EICHER

- MBA in Marketing & IT – IIT Rorkee
- B. Tech in Electronics – Punjab Technical University



**Mr. Ashok Mehra**  
*Vice President– Sales & Marketing - Prince*  
Age : 53 Years; Exp. 30+ years

JAQAUR P. LTD., PIDILITE INDUSTRIES LTD.

- B.E in Mechanical – KJ Somaiya
- MMM - NMIMS



**Mr. Hemant Kumar**  
*GM – Marketing & New Product Development*  
Age : 61 Years; Exp. : 35+ Years

PIDILITE INDUSTRIES LTD.,

- B.Sc. in Chemistry – Pune University
- PGDBM in Marketing - IGNOU



**Mr. Umesh Pillai**  
*National Head Sales & Marketing - Trubore*  
Age : 43 Years; Exp. : 21+ Years

ASIAN PAINTS LTD., GODREJ & BOYCE

- B.E in Electricals – VCE Orissa
- MBA in Marketing - NMIMS



**Mr. Prakash Hegde**  
*Vice President & Chief Human Resources Officer*  
Age : 51 Years; Exp. : 30+ Years

TBZ LTD., BHARAT GEARS LTD.

- MSW in Personal Management & Labour Welfare – Siber Kolhapur
- EPHRM in HRM – IIM Lucknow
- EMBA - XLRI

# Key Highlights 9M FY20



- For 9M FY20, **revenue** at **Rs. 1,205 crore** compared to Rs. 1,073 crore in 9M FY19, **growth of 12%**
- Volume growth for the same period at 11%
- For 9M FY20, **EBIDTA** at **Rs. 171 crore** compared to Rs. 126 crore in 9M FY19, **growth of 36%**
- **EBIDTA margin** for 9M FY20 at **14.2%** an increase by 250 bps compared to 11.7% in 9M FY19.
- For 9M FY20, **PAT** at **Rs. 84 crore** compared to Rs. 52 crore in 9M FY19, **growth of 61%**
- Section 115BAA in the Income Tax Act, 1961 provides an option to the Company for paying income tax at reduced rates
- The Company has availed the same resulting in reduction in effective income tax rate from 34.944% to 25.168%
- **Debtor days improved by 22 days** and is at 37 days for Dec 31, 2019 compared to March 31, 2019
- Debt to equity ratio at **0.37** as on December 31, 2019



## Financial Matrix - P&L 9M FY20

Particulars	9M FY20	9M FY19	Growth % Y-O-Y
Revenue from Operation	1204.9	1072.9	12%
EBIDTA	171.1	125.8	36%
<b>EBITDA %</b>	<b>14.2%</b>	<b>11.7%</b>	<b>248 bps</b>
Other Income	1.8	5.2	-66%
Depreciation	37.6	32.2	17%
Finance Cost	25.0	27.4	-9%
PBT	110.4	71.4	55%
<b>PBT %</b>	<b>9.2%</b>	<b>6.7%</b>	<b>251 bps</b>
TAX	26.1	19.1	37%
PAT	84.2	52.2	61%

## Financial Matrix - P&L Q3 FY20

Particulars	Q3 FY20	Q3 FY19	Growth % Y-O-Y
Revenue from Operation	395.9	361.0	10%
EBIDTA	53.3	43.2	23%
<b>EBITDA %</b>	<b>13.5%</b>	<b>12.0%</b>	<b>150 bps</b>
Other Income	0.8	4.0	-81%
Depreciation	13.3	10.9	22%
Finance Cost	8.9	9.2	-3%
PBT	31.9	27.1	18%
<b>PBT %</b>	<b>8.1%</b>	<b>7.5%</b>	<b>54 bps</b>
TAX	7.6	9.9	-23%
PAT	24.3	17.2	41%

## Key Balance Sheet Details

Key Balance Sheet Details (Rs. In crore)	31-Dec-19	30-Sep-19	31-Mar-19
Net worth	821.7	459.5	398.9
Long Term Debt (Including Current Maturity)	108.3	150.7	151.2
Short Term Debt	194.4	171.7	145.7
<b>Total debt</b>	<b>302.7</b>	<b>322.4</b>	<b>296.9</b>
Cash and cash equivalents	79.0	7.9	8.9
Other Balances with banks	237.5	16.0	13.4
Fixed Assets(including CWIP)	486.2	463.3	424.9
Receivables	162.3	166.2	250.4
Payables	180.2	197.1	215.2
Inventories	324.3	288.2	201.1

# Q3 & 9M FY20 Financial Highlights

■ Q3 FY19 ■ Q3 FY20

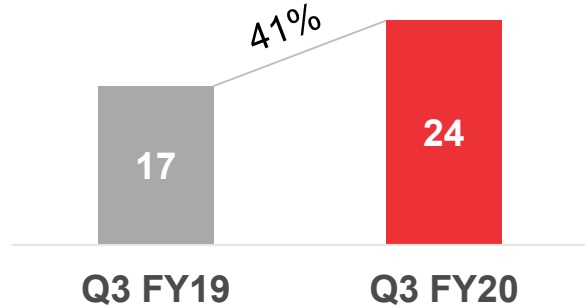
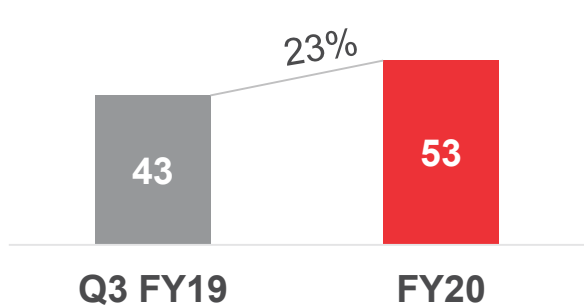
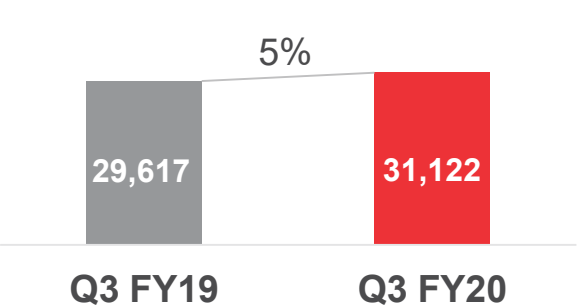
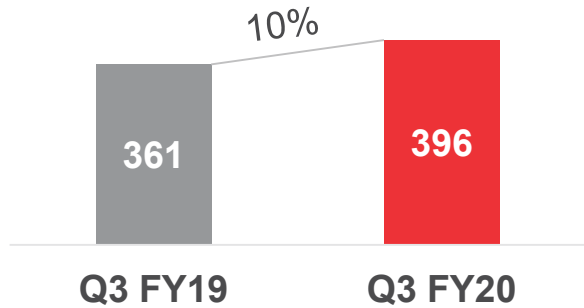
■ Q3 FY19 ■ Q3 FY20

Revenue (₹ in Crs.)

Sales Volume (MT)

EBITDA (₹ in Crs.)

PAT (₹ in Crs.)



■ 9M FY19 ■ 9M FY20

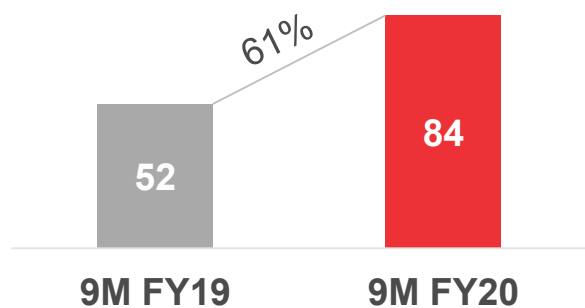
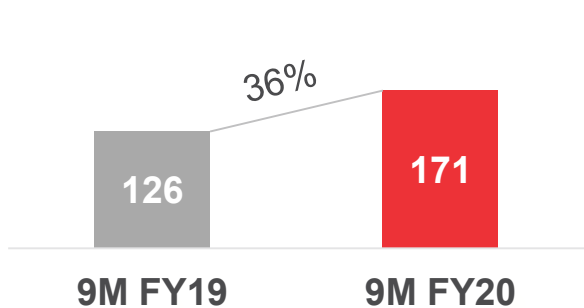
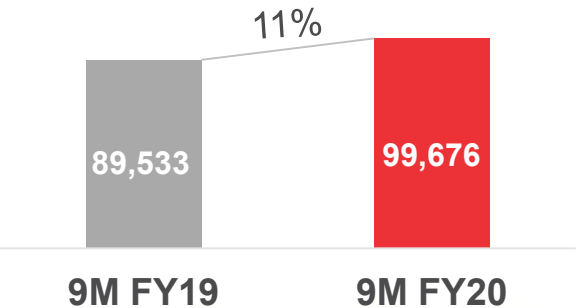
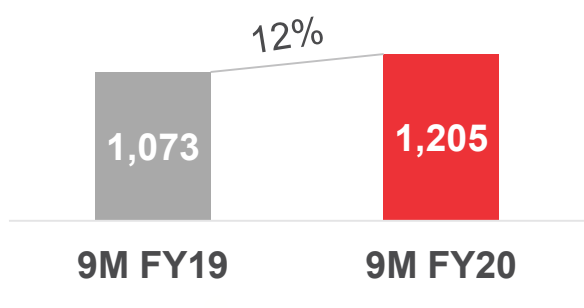
■ 9M FY19 ■ 9M FY20

Revenue (₹ in Crs.)

Sales Volume (MT)

EBITDA (₹ in Crs.)

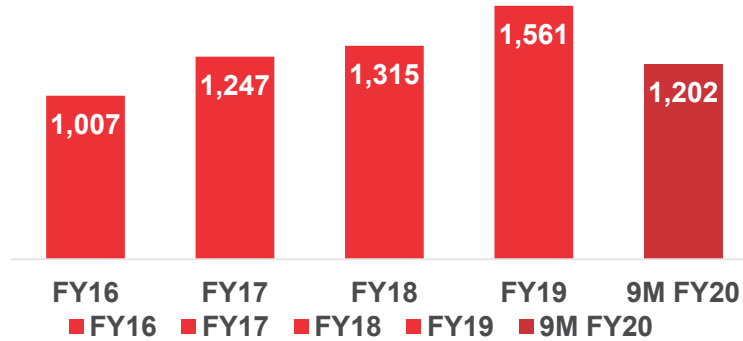
PAT (₹ in Crs.)



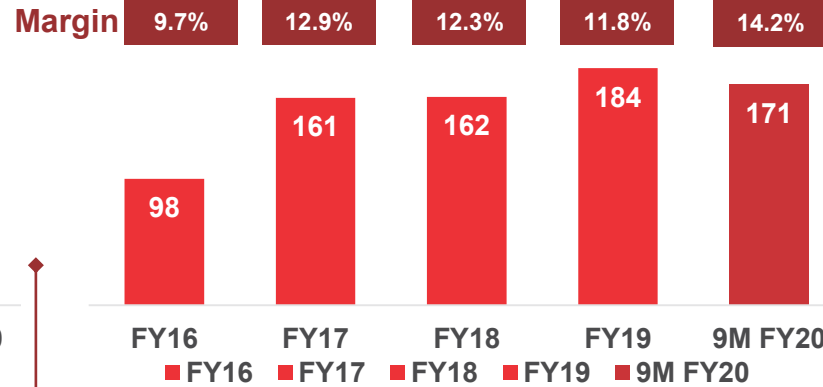
# Financial Track Record

₹ in Crs.

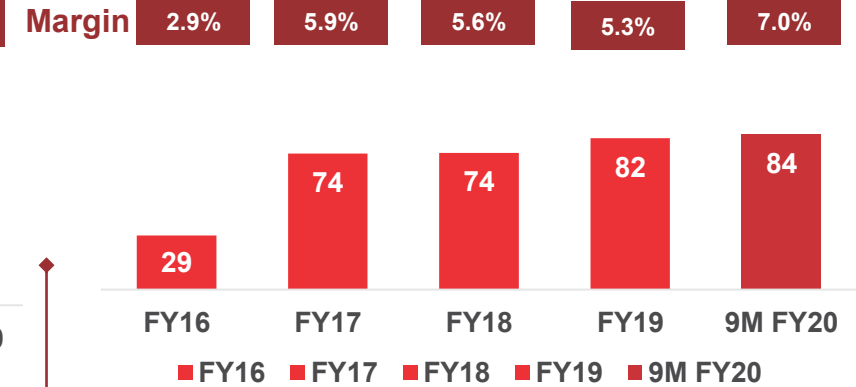
## Net Revenue from Products



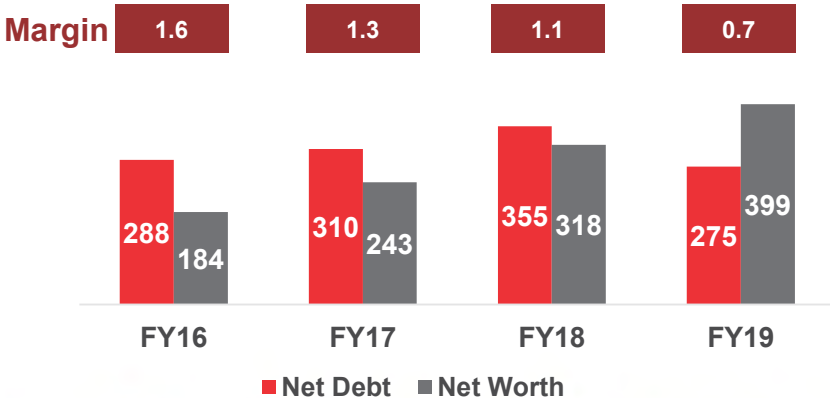
## EBITDA & EBITDA Margin



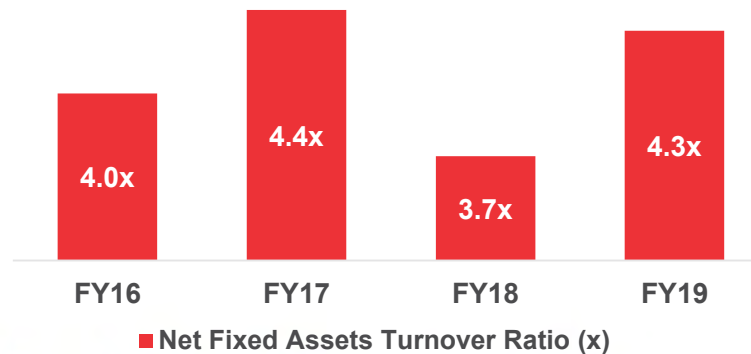
## PAT & PAT Margin



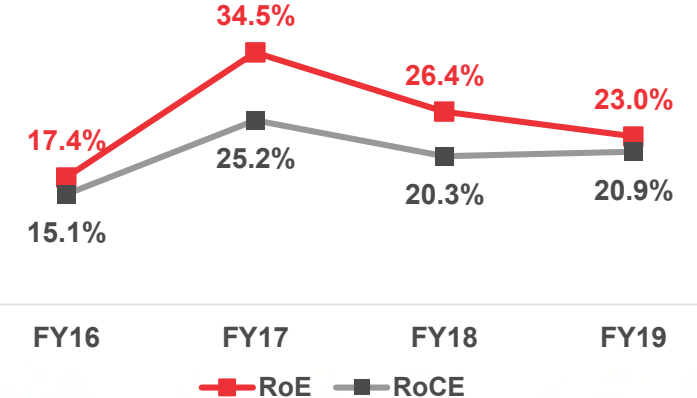
## Net Debt & Net Worth



## Net Fixed Assets Turnover Ratio (x)



## RoE% & RoCE%



# Thank You!

Contact Details:

**Mr. Shyam Sharda**

VP & Group CFO

✉: [cfo@princepipes.com](mailto:cfo@princepipes.com)

**Mr. Rabindra Basu**

Investor Relations

✉: [investor@princepipes.com](mailto:investor@princepipes.com)