

May 28, 2020

<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 Audited Financial Results for the Quarter and Year Ended March 31, 2020 (Financial Year 2019-20)**

We are pleased to enclose herewith our presentation on Audited Financial Results for the Quarter and Year ended March 31, 2020 (Financial Year 2019-20).

A Copy of this 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)

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 Corporation Limited (PCL)  
May 28th, 2020

Fourth 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

## Q4 19-20 Highlights

<b>1,186 Cr</b> Sales Revenue#	<b>+9%</b> QoQ	<b>+3%</b> YoY
<b>248 Cr</b> Normalized EBITDA* ( <b>21% EBITDA Margin</b> )	<b>+5%</b> QoQ	<b>+26%</b> YoY

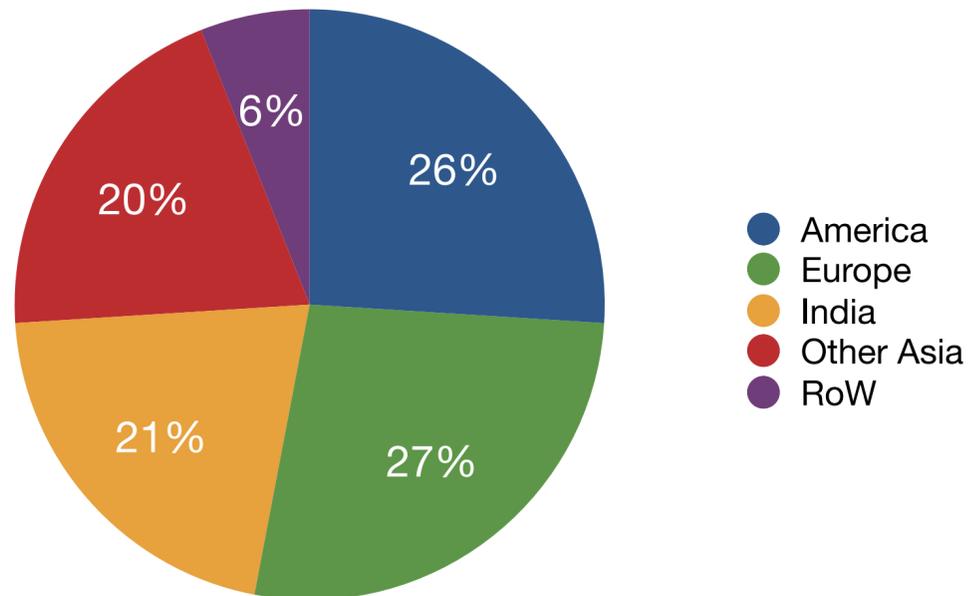
# Excludes other operating revenues

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

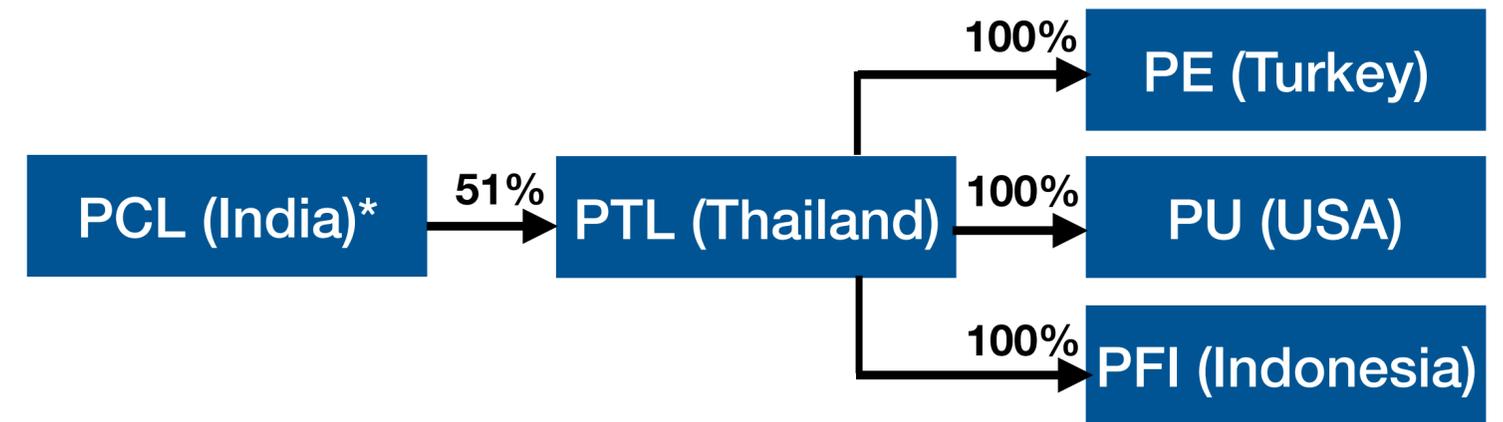
## FY 19-20 Highlights

<b>4,465 Cr</b> Sales Revenue#	<b>-2%</b> YoY
<b>944 Cr</b> Normalized EBITDA* ( <b>21% EBITDA Margin</b> )	<b>+18%</b> YoY

## Business Mix (FY 19-20)



## Polyplex Group Structure



\* Including Holding by Singapore 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

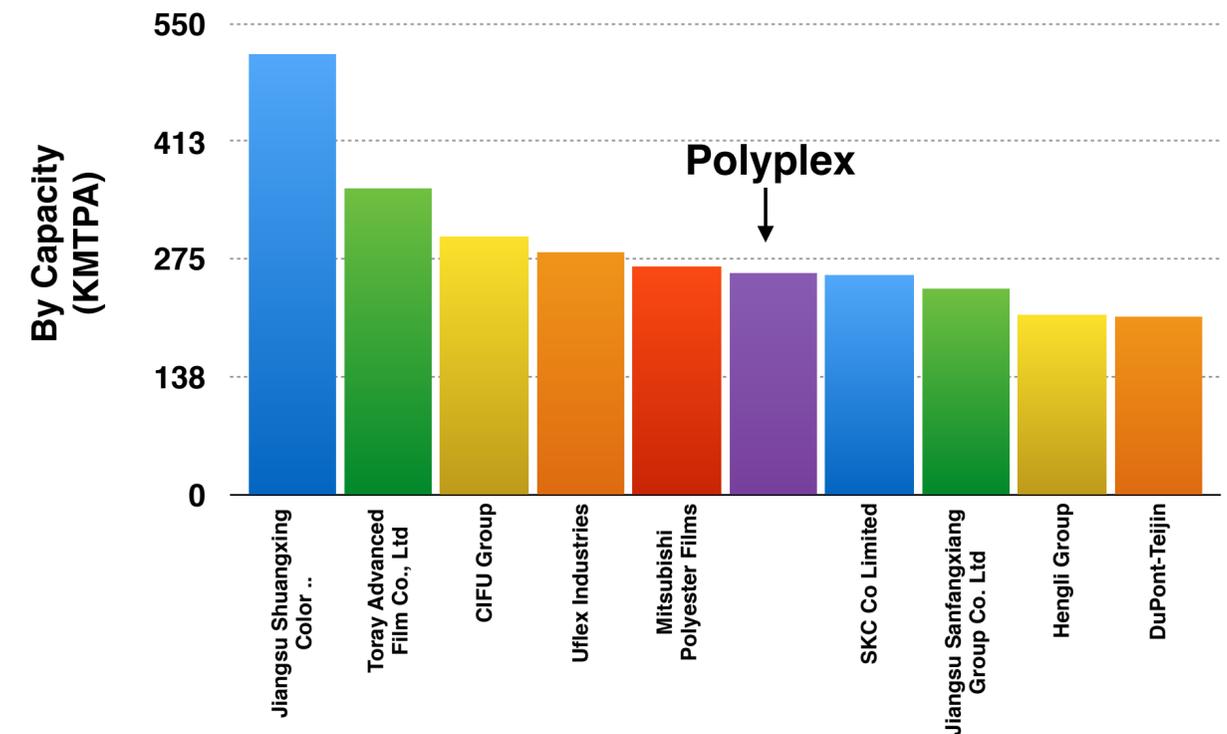
with Multiple Warehouses & Liaison Offices Worldwide

★ Group Manufacturing Locations

● Warehouses

▲ Trading Company/Representative Office

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

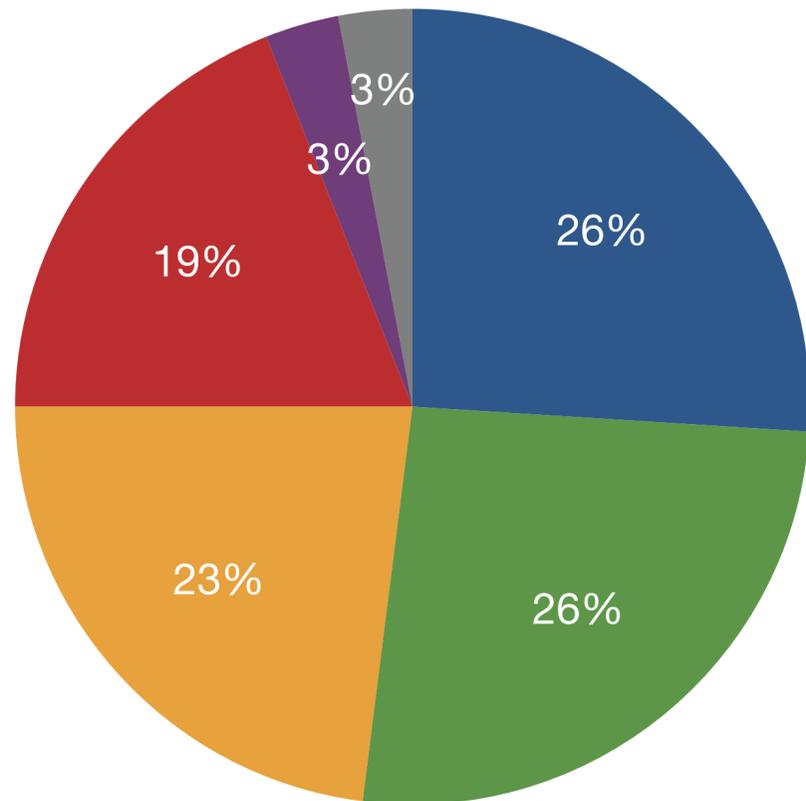


*\*Including all industry capacity started till now*

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

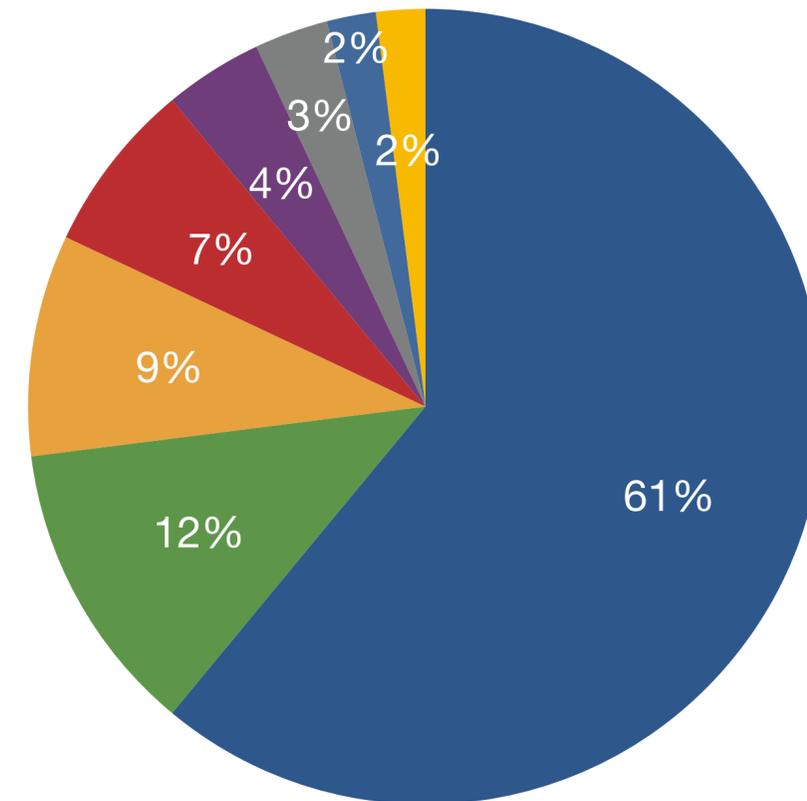
# Global Presence & Portfolio

Operating company-wise breakup of sales  
FY 19-20



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

Business segment-wise breakup of sales  
FY 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

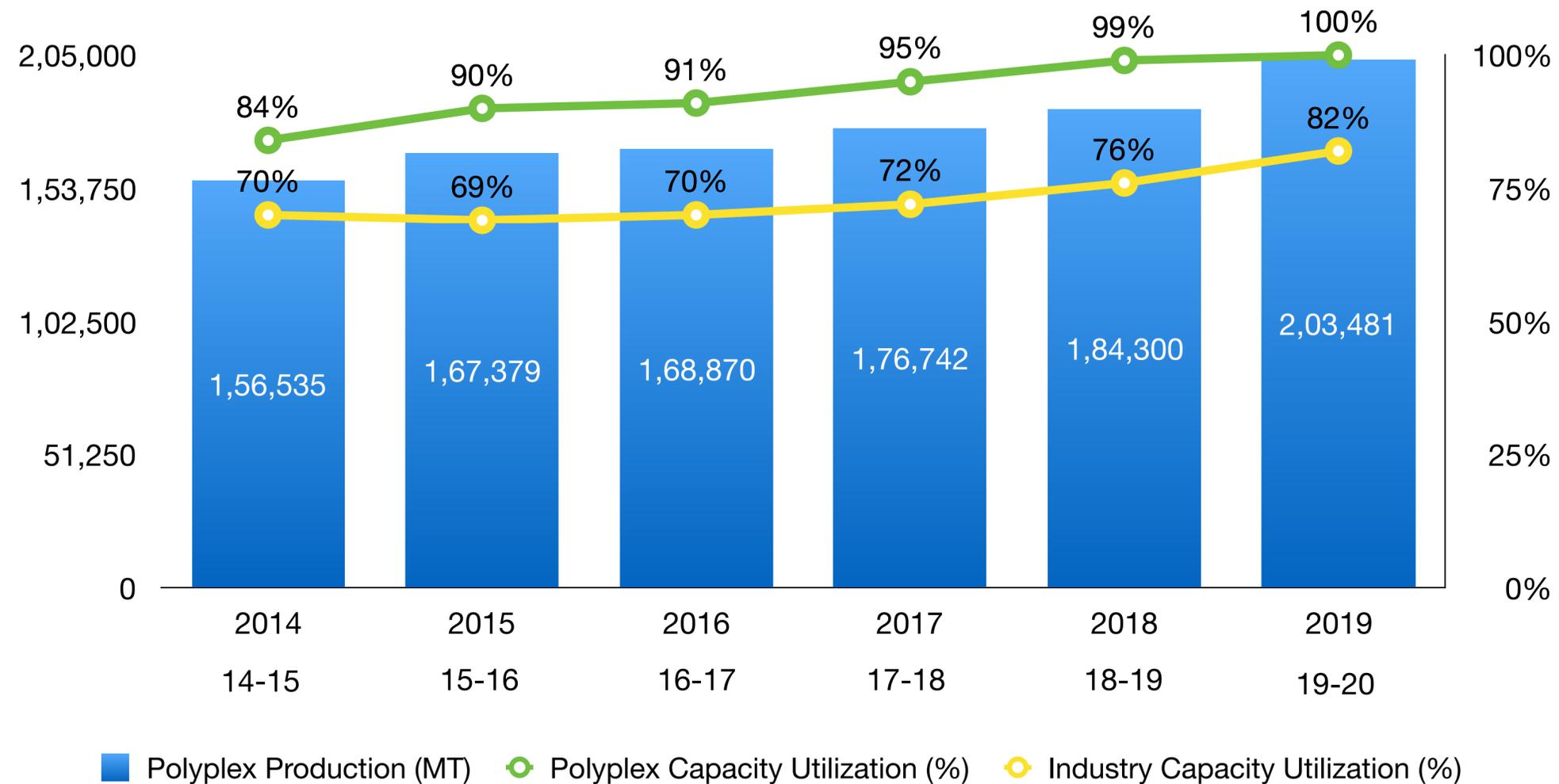
	Resin* (MT)		Base Films*				Value Added Films*				
	PET Film Resin (MT)	Recycled Resin# (MT)	PET Thin (MT)	PET Thick (MT)	BOPP (MT)	CPP (MT)	Blown PP (MT)	Metallized (MT)	Holography (MT)	Coated (Million SQM)	TMP (Million SQM)
 India	77,600		55,000		35,000			34,613	4,080	286	83
 Thailand	106,120	45,000	42,000	28,800		10,000	13,645	21,700	480	985	
 Turkey	75,850		58,000				4,392	17,700	480	320	
 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>45,000</b>	<b>230,000</b>	<b>28,800</b>	<b>95,000</b>	<b>10,000</b>	<b>18,037</b>	<b>89,513</b>	<b>5,040</b>	<b>1,591</b>	<b>83</b>

\*Including New Upcoming Capacities

# EcoBlue, Thailand

# Industry leading cost structure

**Polyplex CUF vs Industry (Plain Thin PET)**



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

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

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

**Strong financial & operational track record**

# Q4'19-20 Performance Snapshot

## QoQ Growth (Q4 19-20 v/s Q3 19-20)

## YoY Growth (Q4 19-20 v/s Q4 18-19)

Sales Volume (All Films) 74,630 MT	10% ↑	14% ↑
Sales Revenue# 1,186 INR Crores	9% ↑	3% ↑
Normalized EBITDA 248 INR Crores	5% ↑	26% ↑
PAT (Before Minority) 21 INR Crores	-83% ↓	-88% ↓
EPS 7.18 INR/Share	-68% ↓	-77% ↓

### Exceptional items impacting reported PAT / EPS

- Unrealised FX loss of INR 143.29 crores on reinstatement of foreign currency long term loans
- Reversal of impairment loss on manufacturing assets of Polyplex USA (Net gain of INR 55.61 crores)
- Deferred Tax Liability creation / Deferred Tax Asset reversal amounting to INR 52.92 crores

# Excludes other operating revenues

# FY'19-20 Performance Snapshot

## YoY Growth (FY19-20 v/s FY18-19)

Sales Volume (All Films) 2,72,662 MT	8% ↑
Sales Revenue# 4,465 INR Crores	-2% ↓
Normalized EBITDA 944 INR Crores	18% ↑
PAT (Before Minority) 494 INR Crores	-15% ↓
EPS 88.18 INR/Share	-15% ↓
ROCE: 18% ROE : 16% (Excluding Cash & Bank Balance)	

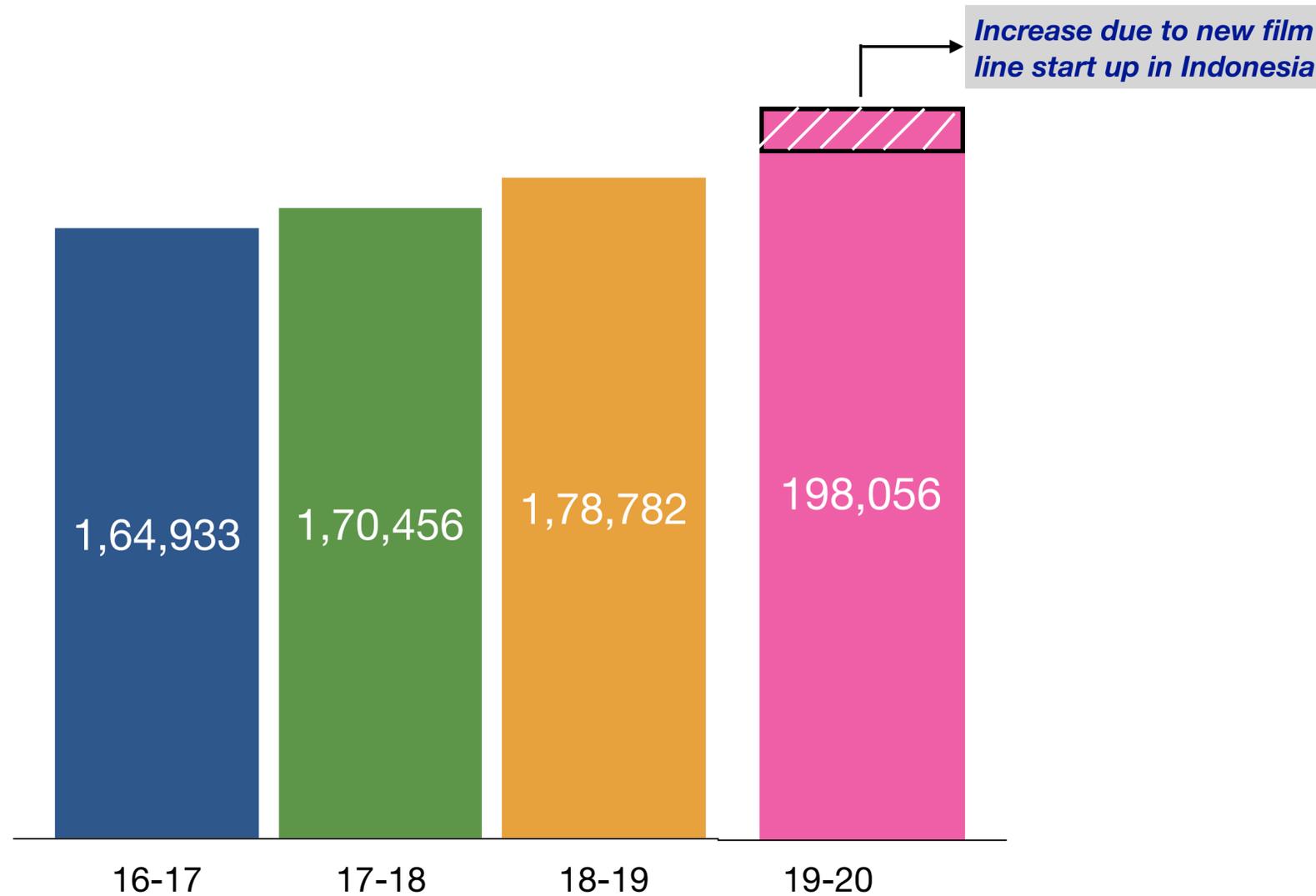
### Exceptional items impacting reported PAT / EPS

- Unrealised FX loss of INR 101.75 crores on reinstatement of foreign currency long term loans
- Reversal of impairment loss on manufacturing assets of Polyplex USA (Net gain of INR 55.61 crores)
- Deferred Tax Liability creation / Deferred Tax Asset reversal amounting to INR 52.20 crores

# Excludes other operating revenues

# Thin PET Film - Trend

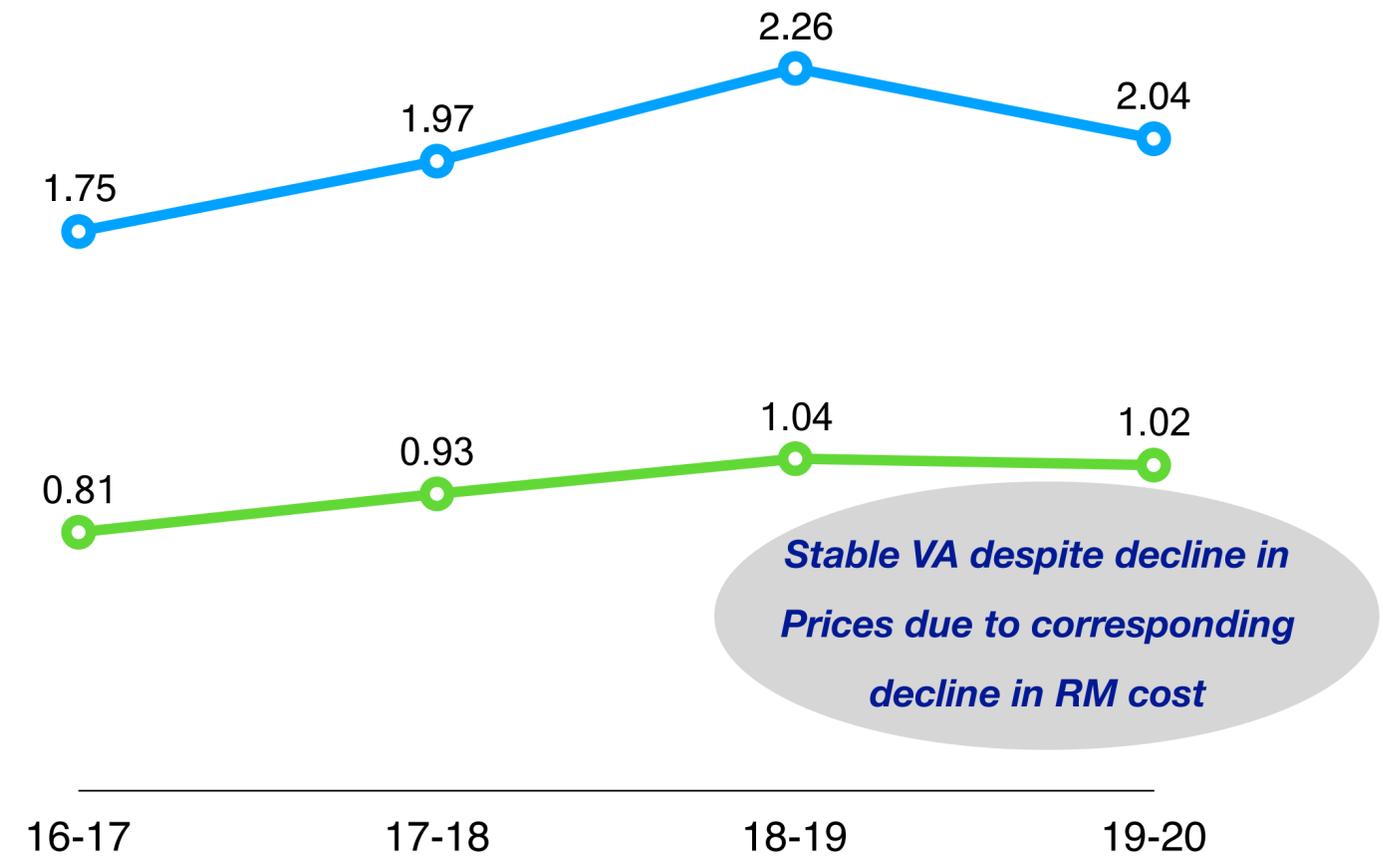
Thin PET Film (Plain+Met) Sales Volume\* (MT)



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

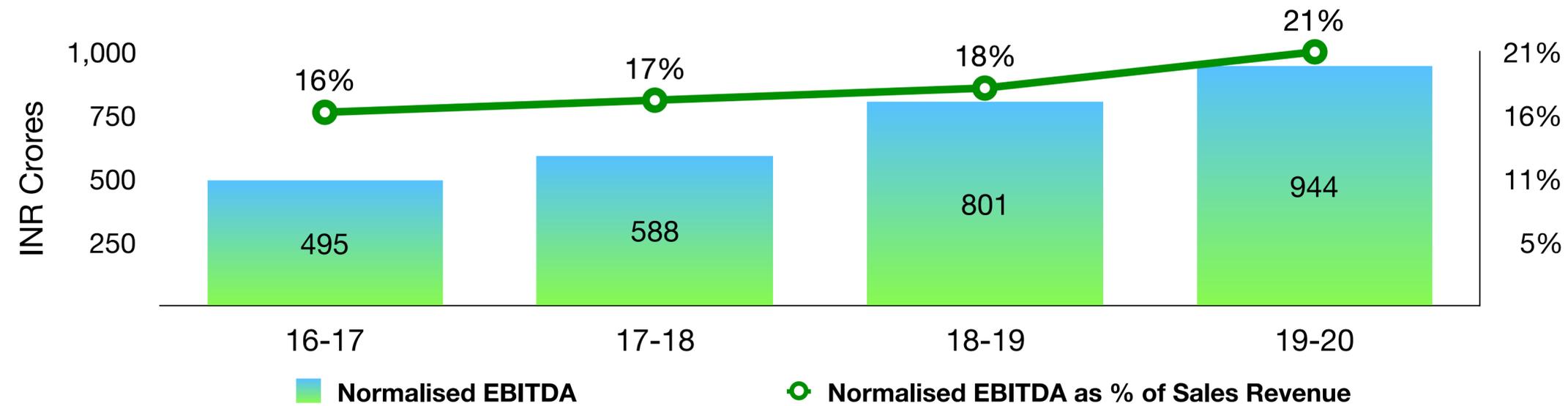
\*\* Over Raw Material

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

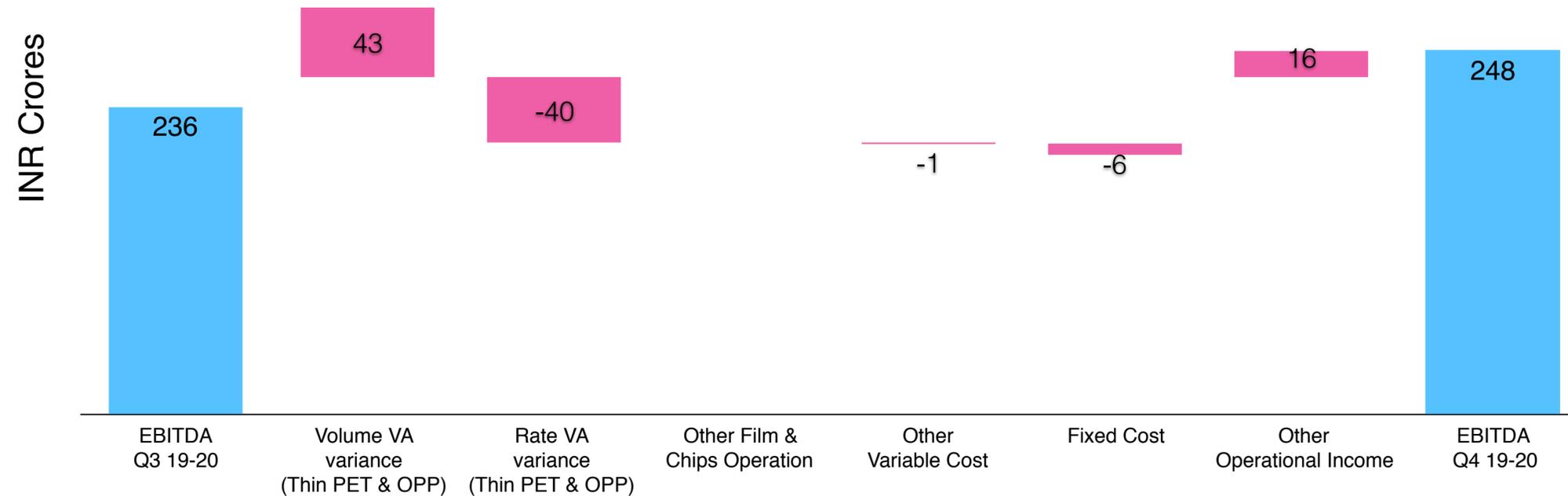


# Normalised EBITDA

Normalised EBITDA\* - Trend



Normalised EBITDA\* (Q4 19-20 vs Q3 19-20)

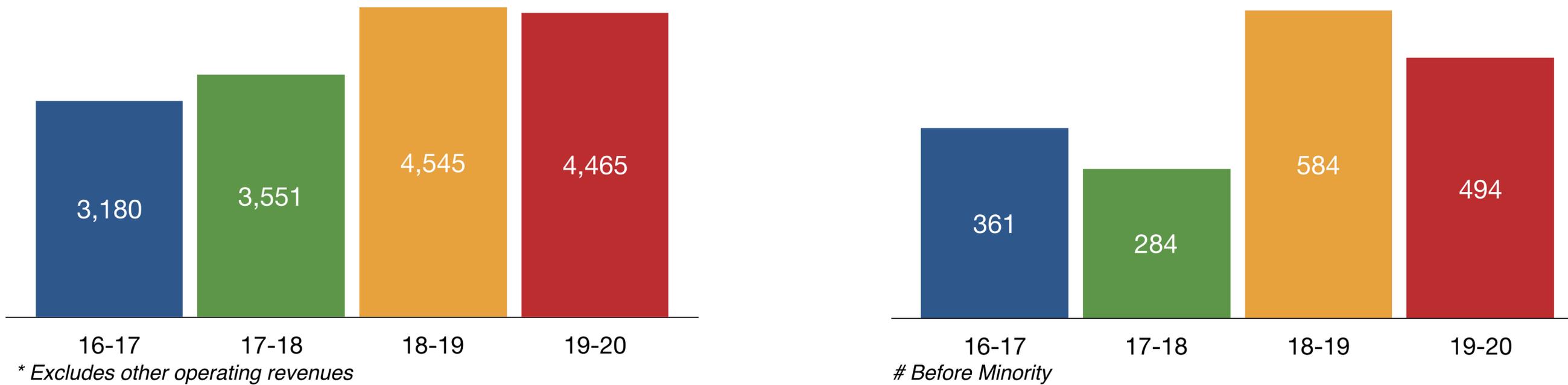


\* Normalised EBITDA: EBITDA excluding impact of unrealized FX gains/ (losses) on long term loans

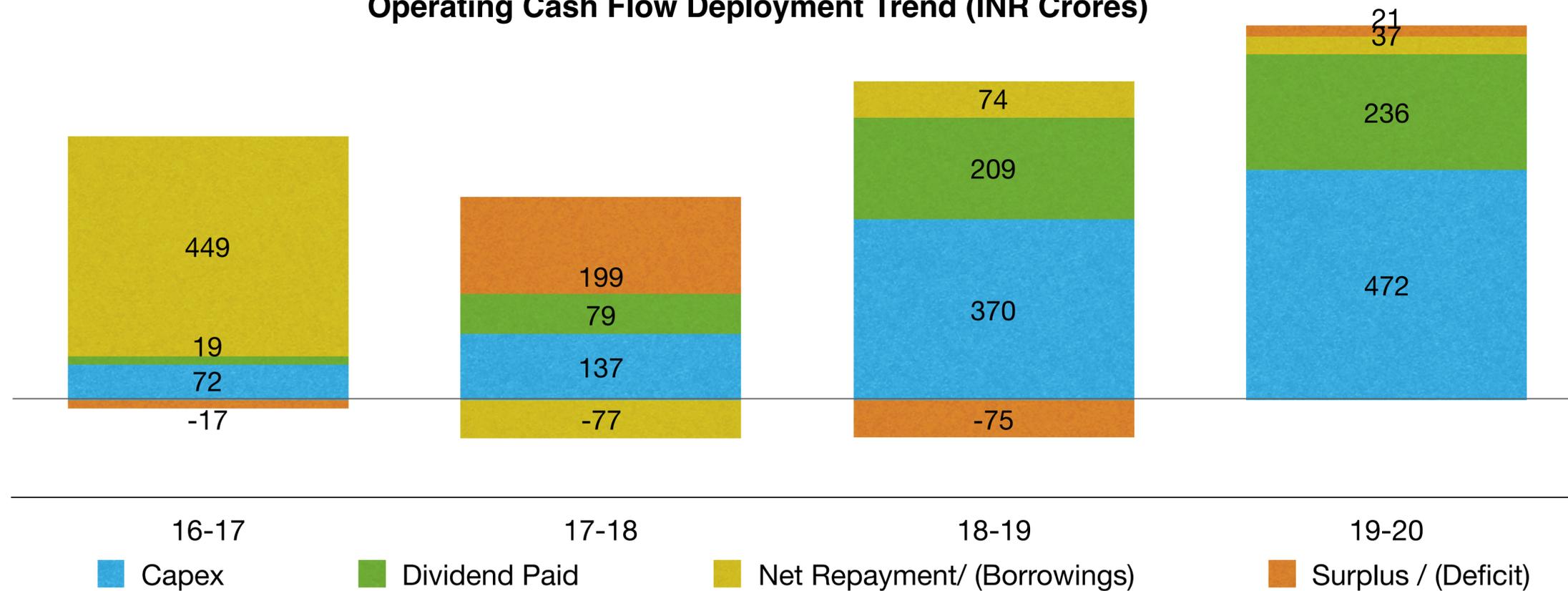
# Strong Financial Performance

Sales Revenue\* (INR Crores)

PAT# (INR Crores)

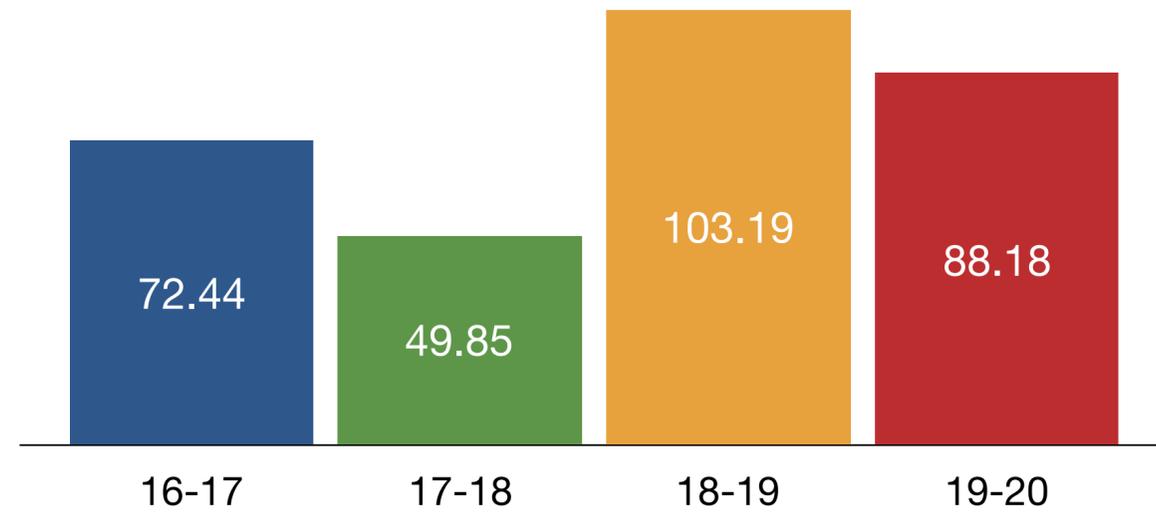


Operating Cash Flow Deployment Trend (INR Crores)

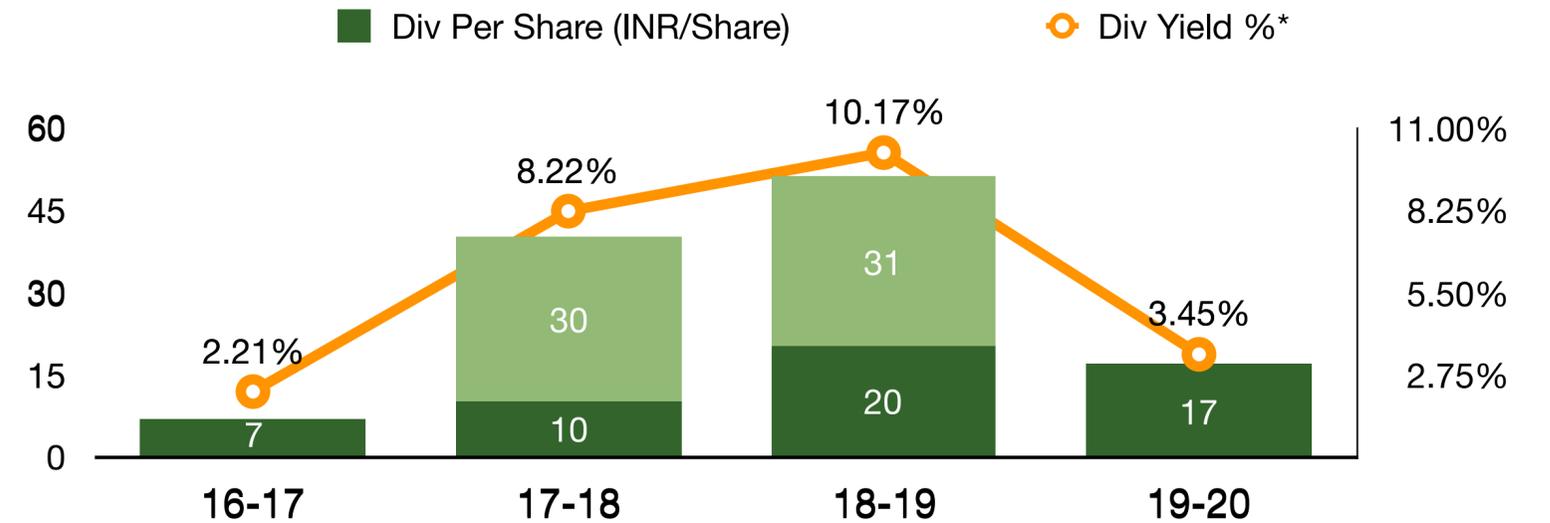


# Strong Financial Performance

EPS (INR/Share)



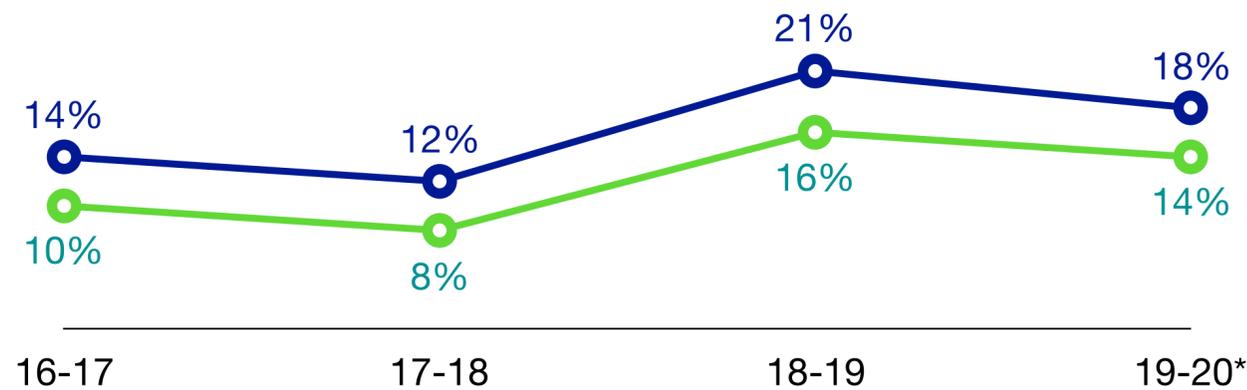
Dividend



\* Average stock price for the period has been considered for calculating Div Yield

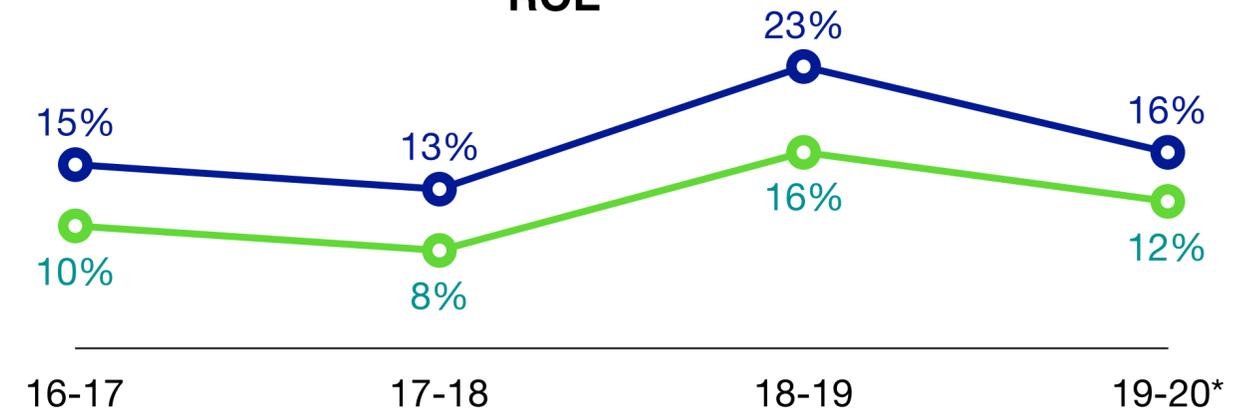
■ Normal Dividend  
■ Special Dividend

ROCE



○ ROCE (With Cash & Cash Equivalents) ● ROCE (Excluding Cash & Cash Equivalents)

ROE



○ ROE (With Cash & Cash Equivalents) ● ROE (Excluding Cash & Cash Equivalents)

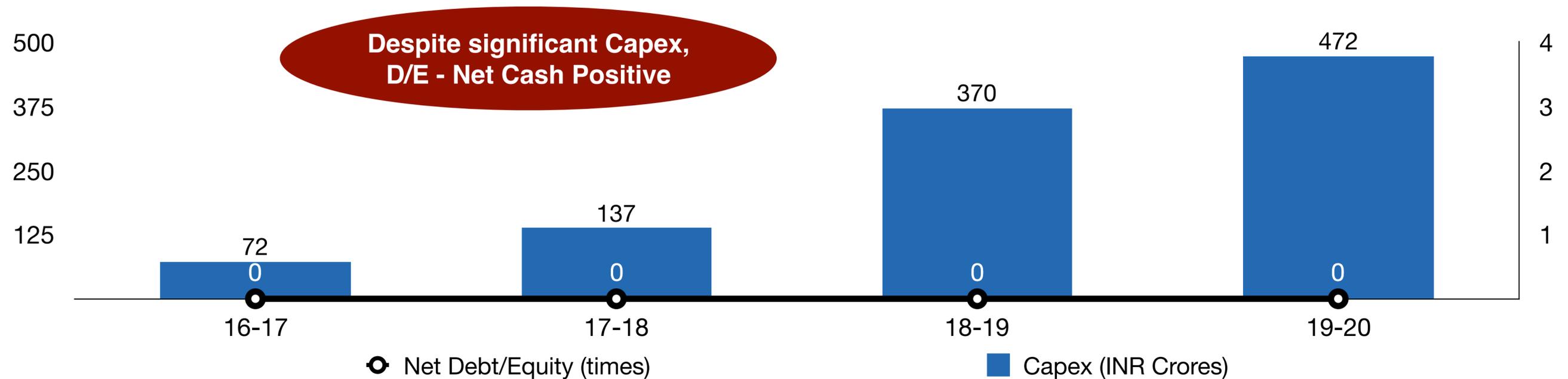
ROCE (%) = EBIT as a % to average capital employed

\* ROCE for FY 19-20 impacted by FX losses / reversal of impairment / utilization of Indonesia assets for part of the year

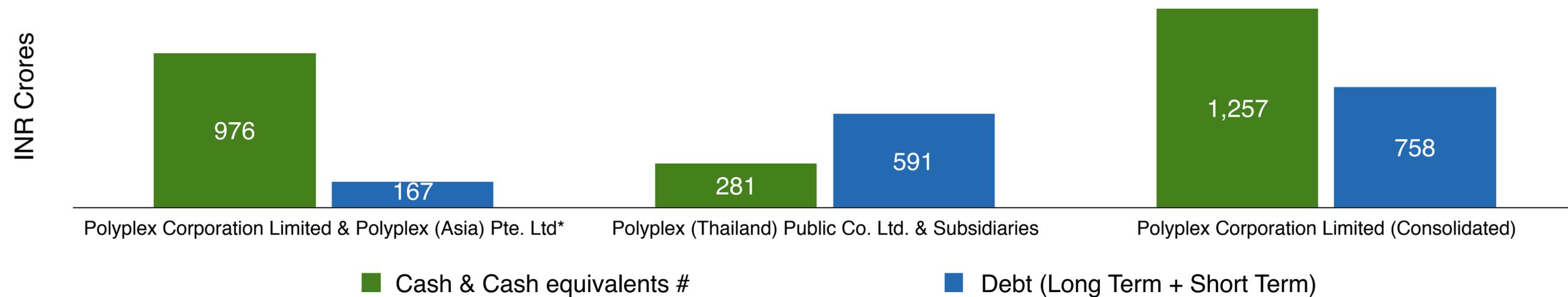
ROE (%) = PAT as a % to average equity

\* ROE for FY 19-20 impacted by FX losses / reversal of impairment

# Strong Liquidity



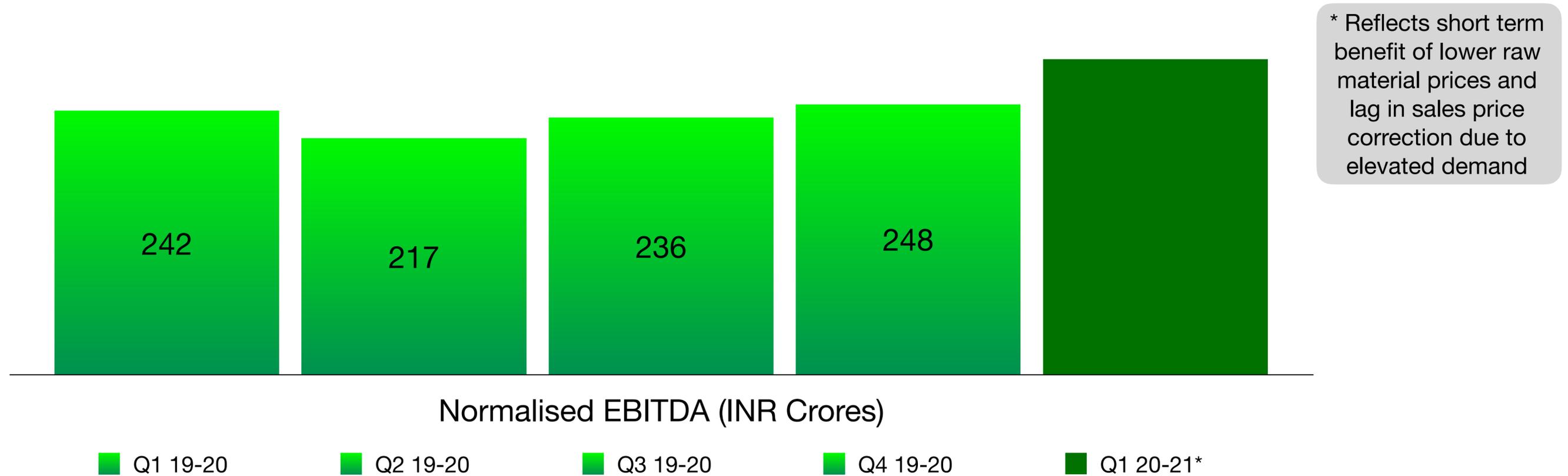
## Cash & Debt Position as on 31st Mar 2020



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

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

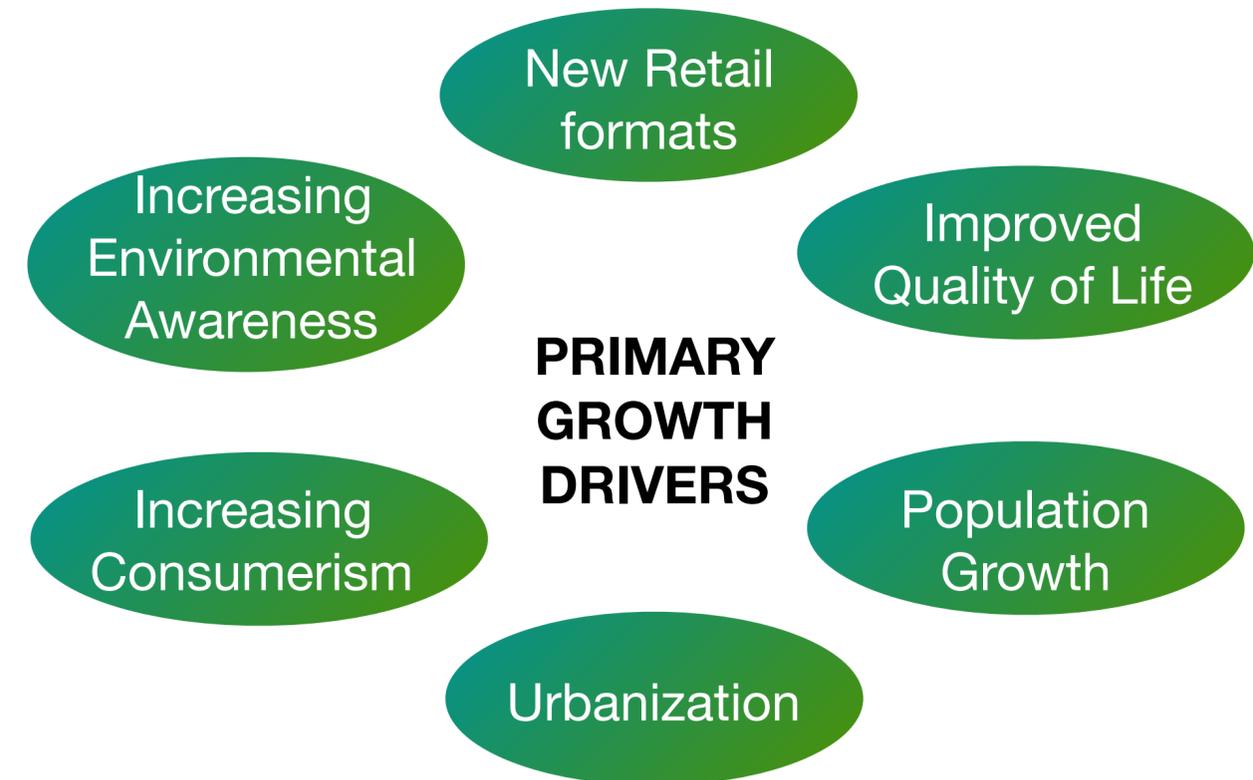
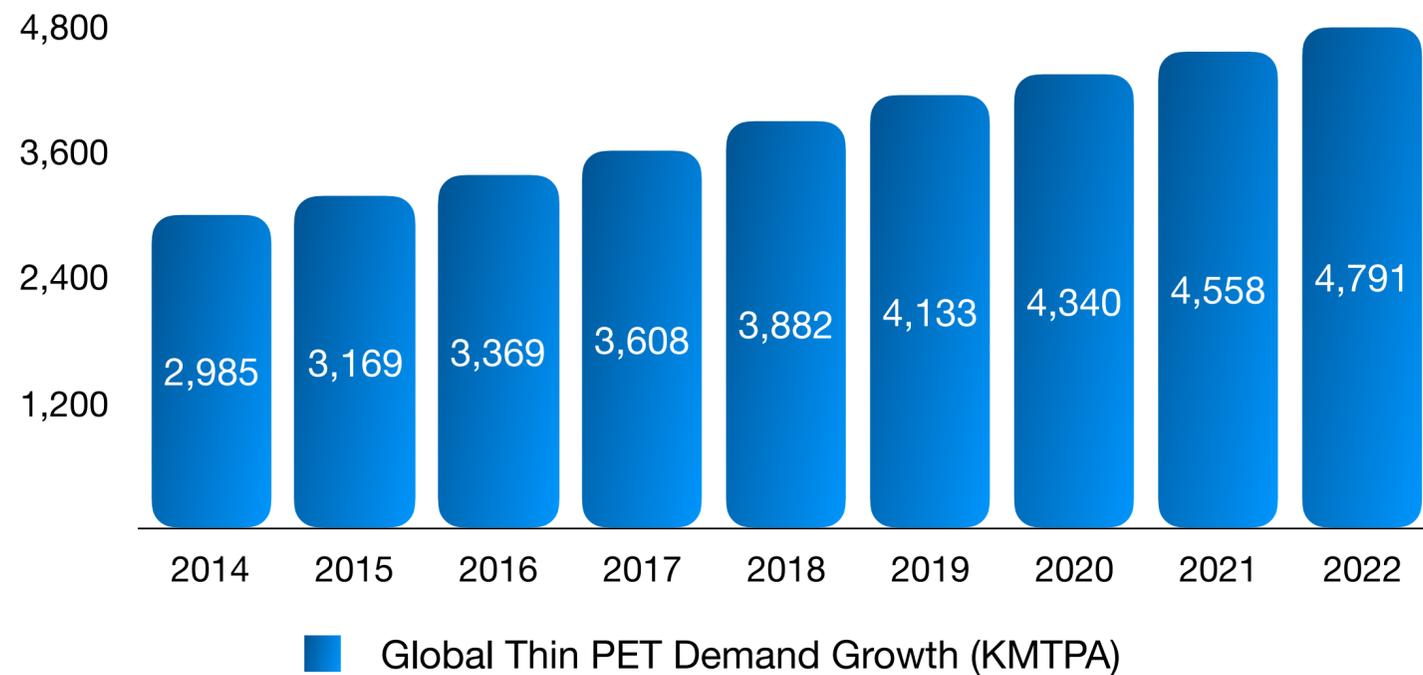
# First Quarter 20-21 Guidance



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

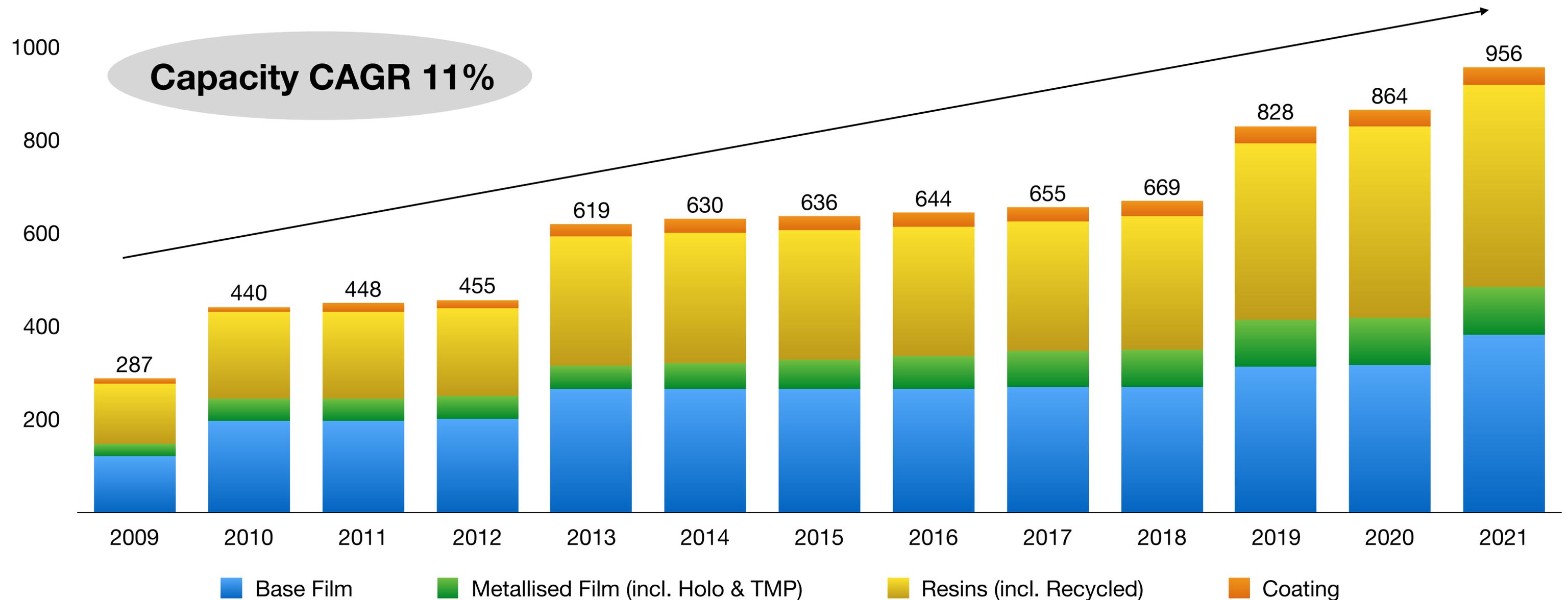


- Demand growing at 4-6% due to design versatility, cost advantage, resource economy, low carbon footprint, cost advantage and retail format/packaging innovations
- Versatility and high performance of polyester film leads itself to a wide range of 100+ applications in both industrial & consumer staples and consumer discretionary sector.
- Emerging applications in healthcare & hygiene could result in new streams of sustainable demand growth

# Continuous Growth

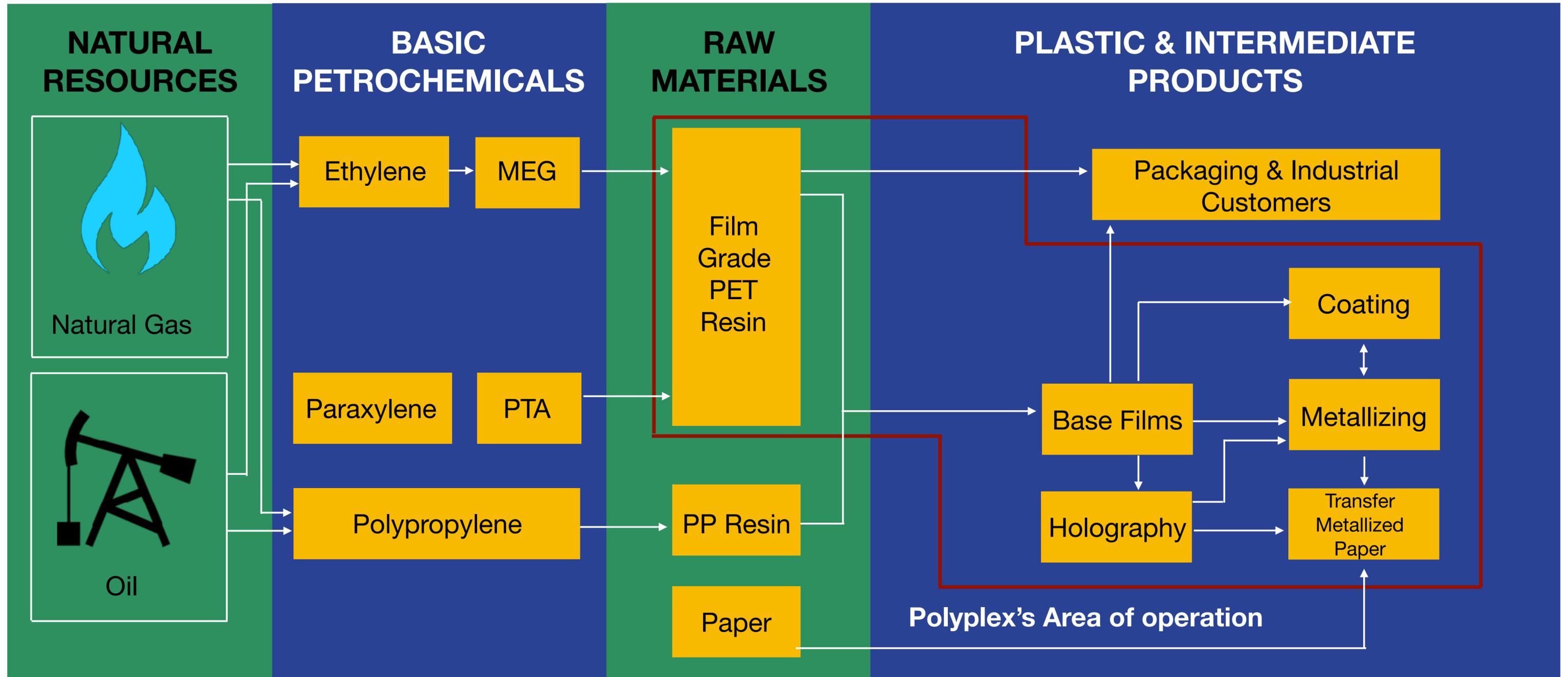
Polyplex growth more than the average market growth rate

Capacity is in '000 MT



**Stable earning across business cycles**

# Value Chain



# Product Applications & Sales Mix - FY 19-20

71%  
**Packaging  
Customers**

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

29%  
**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)



15 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

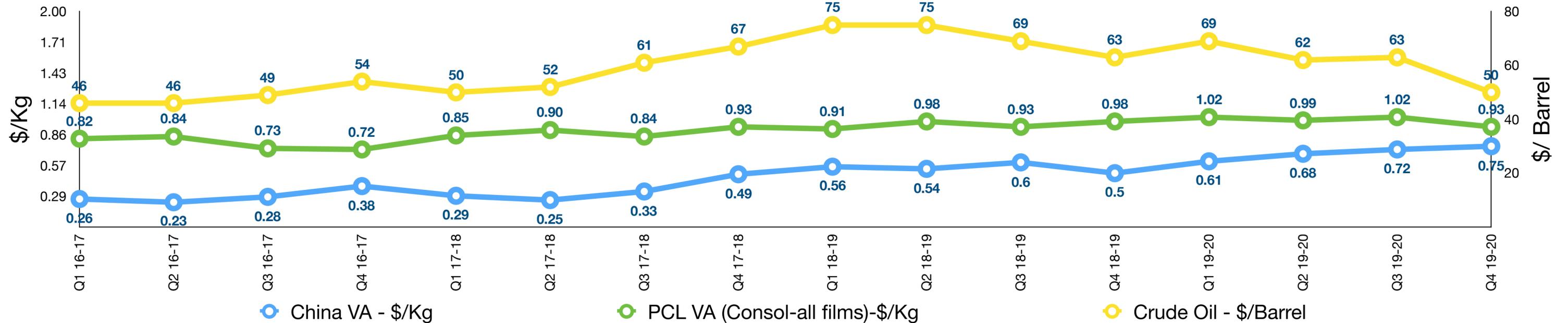
No. of Patents granted - 18 (Across products, processes & countries)

No. of Trademarks granted - 5 (Across brands and countries)

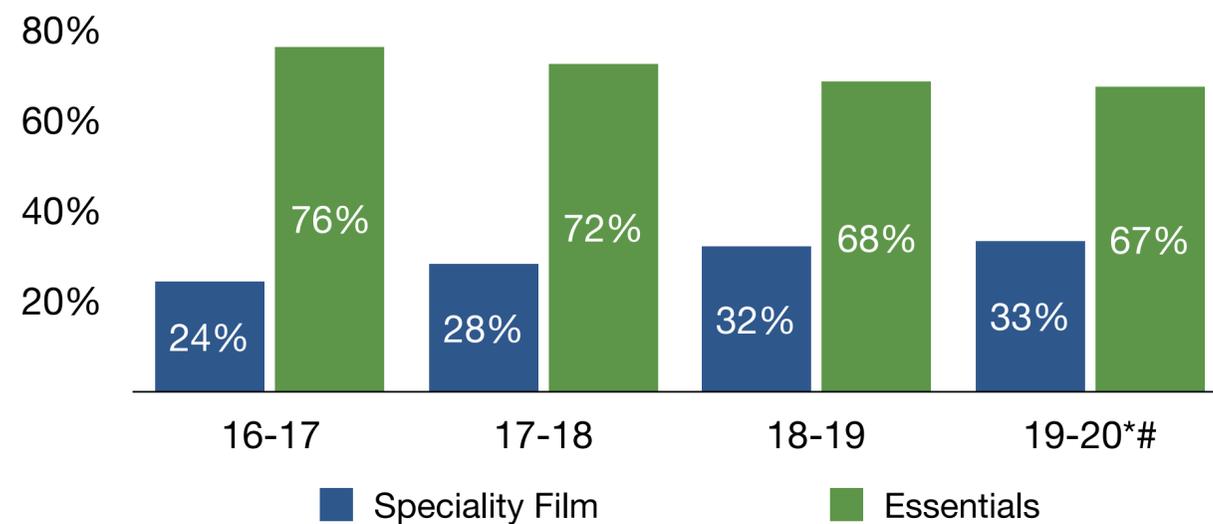
# VA Stability

Stable VA despite crude price volatility

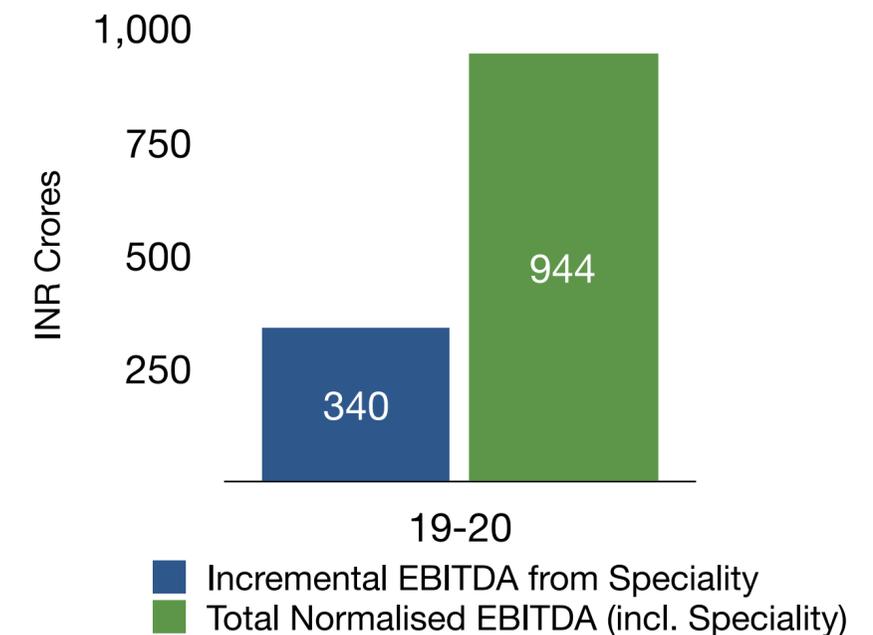
### PCL VA v/s China VA v/s Crude



### Speciality Film Share in Turnover



Increasing proportion of Speciality Film helps sustain superior margins



\*For 19-20, the methodology for defining speciality film has been further refined

# Excluding the turnover impact of new film line in Indonesia (100% essentials), the share of speciality film shall be 34%

# 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%
- Plastic Free Carton - Use of Transfer Metallization for Paper & Board Lamination

Target Product:

- Co-create design using principles of circular economy
- Mono material (Low SIT heat sealable PET) structures to improve recyclability - Testing & Validation Stage

## 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)

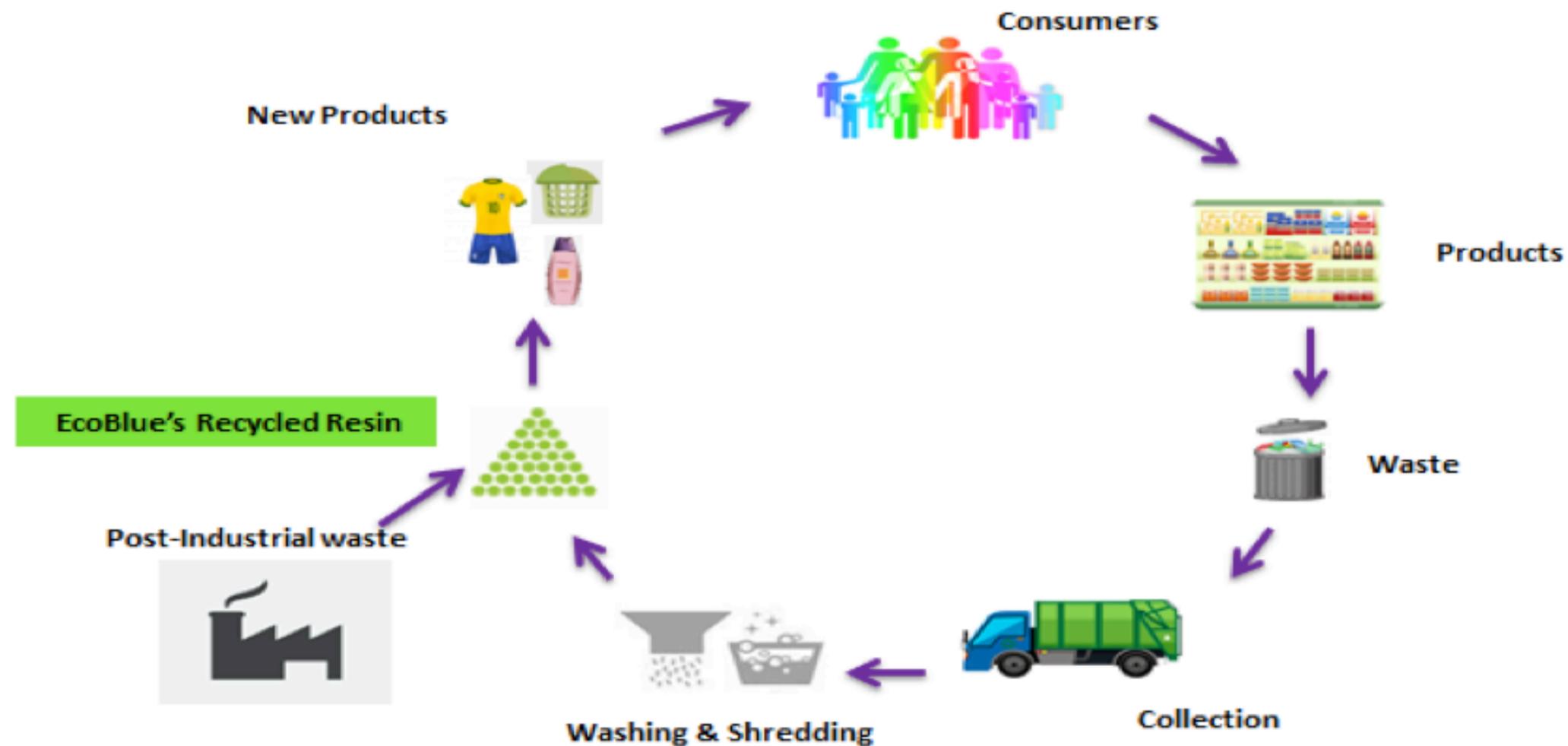
- Play catalyst and leadership role in engaging the industry in sustainability efforts - both plastic waste and climate change

# Polyplex & Sustainability

**EcoBlue Limited, Thailand provides sustainable solutions for film based post consumer and industrial process waste**

- Recycling of difficult to recycle materials like films, coated films, laminates & fibre waste with oils
- US FDA approved 3D Pure rPET resin for bottle, film and polyester yarn applications
- Recycling of post-consumer & post-industrial PET and Polyolefin waste. New state of the art facility coming soon

## Circularity Through Responsible Recycling



# Industry Outlook

## OUTLOOK

- Approx.1 Million Tons of Capacity (more than 50% in China) to be further added in Thin PET from 2020 to 2023 globally
- Changing cost dynamics may result in closure/underutilization of older lines
- Constant upgradation in technology (10.6 mtr wide line) to remain a long term threat to industry players for standard films
- Some of the expected capacity additions may be deferred / delayed due to Covid 19 situation
- RM trending towards oversupply scenario
- Concerns around Sustainability - usefulness of plastics (incl. SUPs) in focus during on-going Covid crisis - both from hygiene perspective as well as lower carbon footprint

## POLYPLEX- STRENGTHS

- Leverage our Tier-1 supplier status & 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
BrownField - BOPP	Indonesia	53	H1 FY 21-22
Other Projects	India	3	Upto Q2 FY 20-21
	Overseas#	46	Upto Q2 FY 21-22
Total		102	

## Newly Approved Capex

- Offline Coater, Blown Film Line and Metallizer in Turkey approx. USD 11 million
- Post Consumer Bottle Recycling Project (EcoBlue, Thailand) approx. USD 12 million

Note:

# Includes newly approved Capex

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

## Amount spent as on 31st Mar'20

- BOPET Film Project - Indonesia = USD 77 million
- Other Projects = USD 17 million

## BOPET Film Line + Metallizer + Resin Plant at Indonesia - Fully Operational



Current Film line CUF ~ 90%



# Fallout of Covid 19 for PET Film Industry

- Flexible packaging demand (71% of our sales) for consumer staple has been at elevated level since March 2020 and is expected to remain at normal to slightly elevated level in the medium term
- Packaging demand for discretionary items may see some minor decline
- Demand for some industrial applications is expected to fall. As our overall exposure is limited to 29% of sales, the impact is expected to be muted
- Increased focus on health & hygiene products both in packaging & industrial end use films
- Trend towards De-globalization and reducing dependence on China
- Low RM cost for extended period
- Delay in startup of new capacity additions



All production lines of Polyplex across the globe have been running during this pandemic except for few days of closure in Indian operations in March & April 2020. Normal operations have subsequently resumed

# Polyplex Response - Covid 19

## Towards Society:

1. Supporting the less privileged in participation with various NGO's
2. Contribution of necessary medical equipments and protective gear for healthcare workers, police staff etc.
3. Monetary contribution to Hospitals, Government relief funds etc.

## Towards Employees:

1. Ensuring health and safety of the employees as the top priority
2. Stringent social distancing measures have been adopted
3. Regular environmental cleaning (wipe off work surfaces, doorknobs, workstations)
4. Government guidelines at all geographical locations have been adhered to



# Annexures

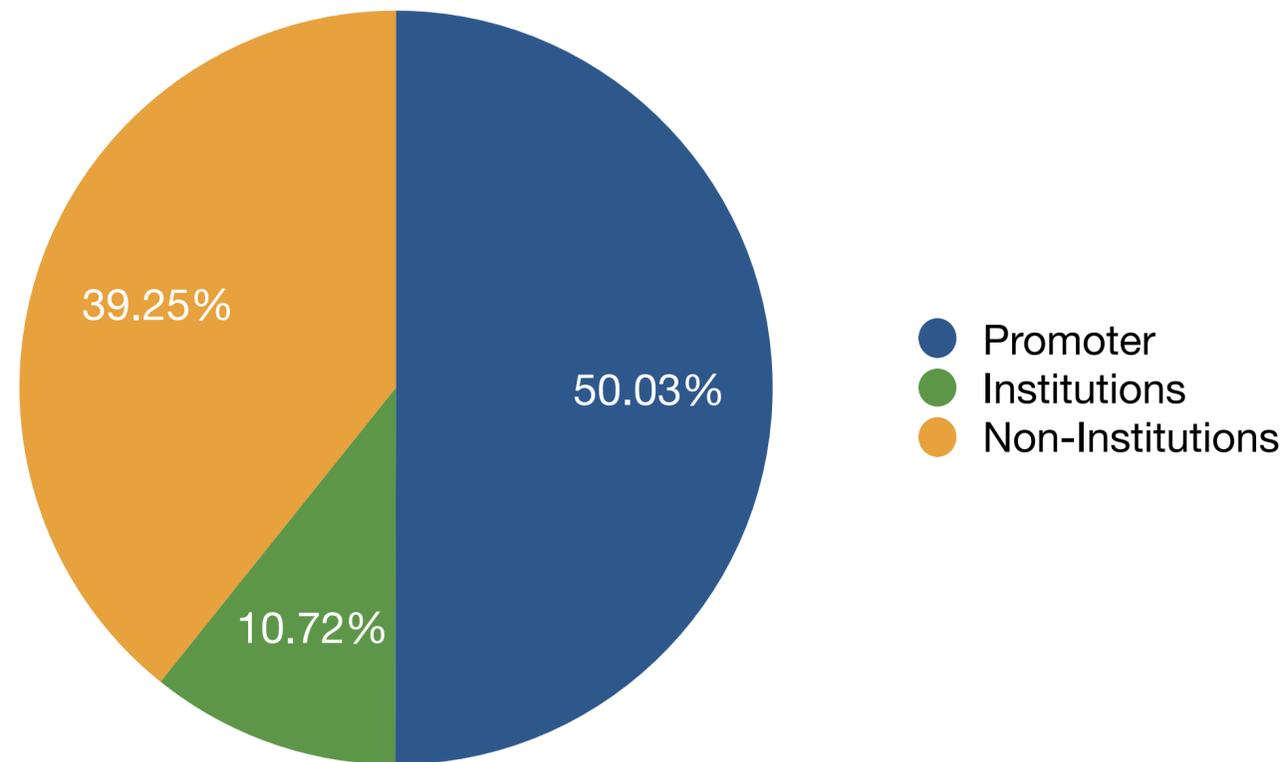
## Contents

- Shareholding Pattern
- Group Structure

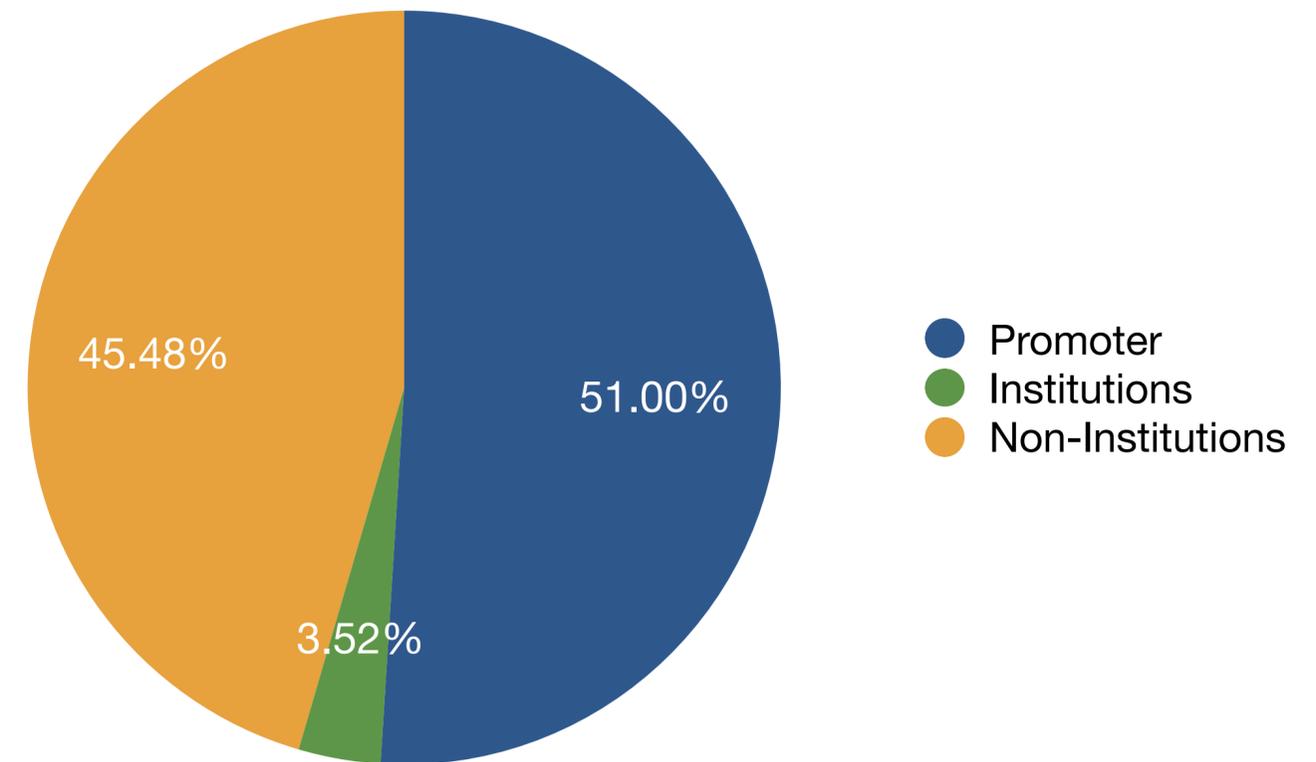
# Shareholding Pattern

- 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 Mar'20) is as below:

## PCL# Shareholding



## PTL Shareholding

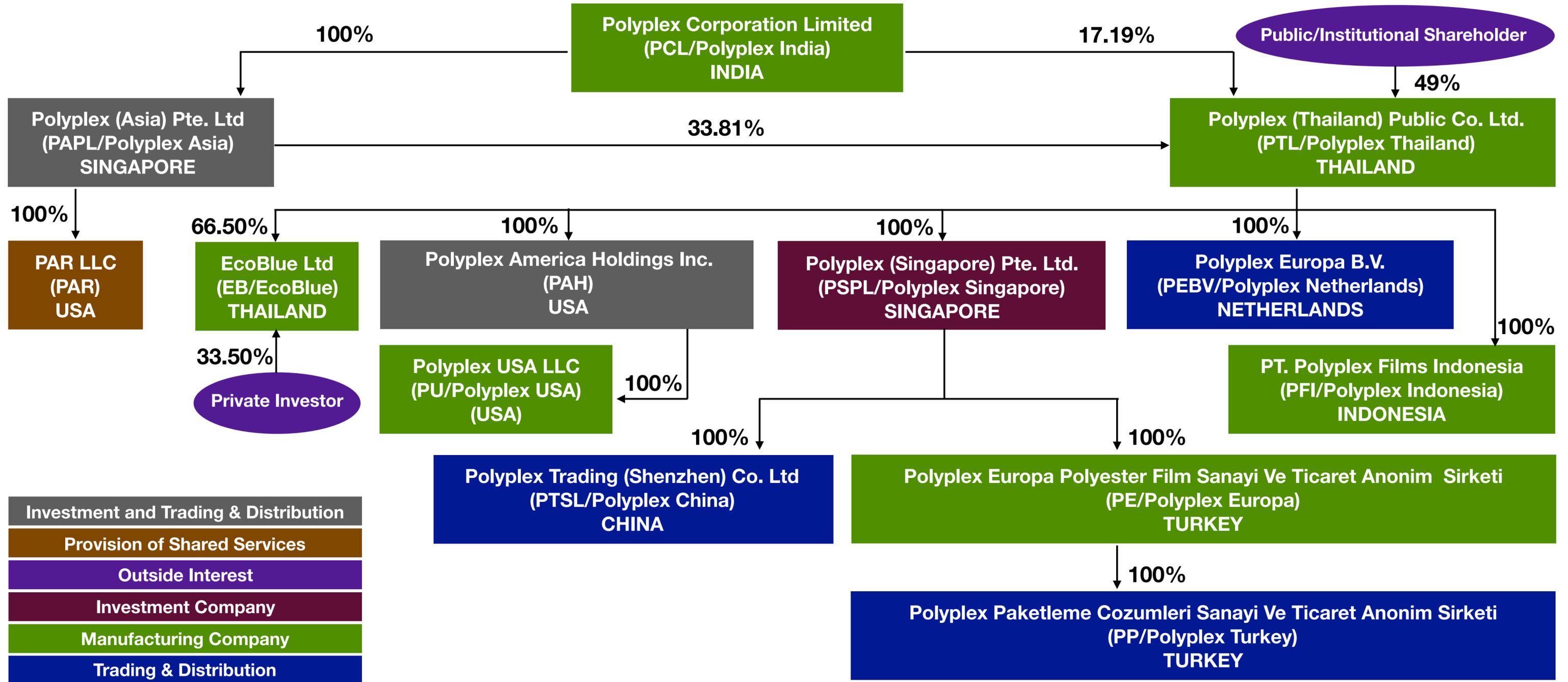


# The Buyback of equity shares announced by the Company (PCL) on 9th April 2020 is in process

Maximum Buyback price - INR 475

Maximum Buyback amount - INR 54.81 crores

# Group Structure



# Thank You

**Polyplex Corporation Limited**

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

**Distt. Gautam Budh Nagar**

**Uttar Pradesh-201 301**

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**Fax:+91.120.2443723 & 24**