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BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001
Scrip Code: 500135

National Stock Exchange of India Limited

Exchange Plaza, C/1, Block G,
Bandra-Kurla Complex, Bandra (E), Mumbai - 400051
Trading Symbol: EPL

Sub. : Transcript of the Conference Call - EPL Limited (“Company”)

Ref. : 1. Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (“SEBI LODR Regulations”)
2. ISIN: INE255A01020

Sir/ Madam,

In furtherance of our intimation(s) dated February 24, 2025 and February 28, 2025, we are enclosing herewith, the Transcript of the conference call for the Analysts/ Investors, which was held on February 28, 2025 (“said transcript”).

The said transcript is also made available on the website of the Company i.e. at <https://www.eplglobal.com/investors/shareholder-information/>

This is for your information and records.

Thanking you.

Yours faithfully,
For **EPL Limited**

Onkar Ghangurde
Head - Legal, Company Secretary & Compliance Officer

Encl.: As above

Registered Office

P.O. Vasind, Taluka Shahpur, Dist. Thane 421604, Maharashtra
Tel: +91 9673333971/9882
CIN: L74950MH1982PLC028947
complianceofficer@eplglobal.com

EPL LIMITED

(Formerly known as Essel Propack Limited)
Corporate Office: Top Floor, Times Tower, Kamala City, Senapati Bapat Marg, Lower Parel
Mumbai 400013, India
www.eplglobal.com | T: +91-22-2481 9000/9200 | F: +91-22-2496 3137



“EPL Limited
Transaction Update Conference Call”
February 28, 2025



MANAGEMENT: **MR. ANAND KRIPALU – MANAGING DIRECTOR AND GLOBAL CHIEF EXECUTIVE OFFICER – EPL LIMITED**
MR. M. R. RAMASAMY – CHIEF OPERATING OFFICER – EPL LIMITED
MR. DEEPAK GOYAL – CHIEF FINANCIAL OFFICER – EPL LIMITED
MR. ONKAR GHANGURDE – HEAD - LEGAL, COMPANY SECRETARY AND COMPLIANCE OFFICER – EPL LIMITED

MODERATOR: **MR. PRATIK THOLIYA – SYSTEMATIX INSTITUTIONAL EQUITIES**

Moderator:

Ladies and gentlemen, good day, and welcome to the 'EPL Limited - Transaction Update Conference Call' hosted by Systematix Institutional Equities. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Pratik Tholiya from Systematix Institutional Equities. Thank you, and over to you, sir.

Pratik Tholiya:

Yes. Thanks, Lizan. On behalf of the Systematix Institutional Equities, I would like to welcome all the participants who've logged into this call to discuss the recent transaction in EPL.

From the management team, we have with us Mr. Anand Kripalu, MD and Global CEO; Mr. M. R. Ramasamy, COO; Mr. Deepak Goyal, CFO; and Mr. Onkar Ghangurde, Head - Legal, Company Secretary and Compliance Officer.

At the outset, I'd like to thank the management for giving us the opportunity to host the call. I would like to now invite Mr. Anand Kripalu to begin the proceedings of the call. Thank you, and over to you, sir.

Anand Kripalu:

Thank you very much, Pratik, and hello, everyone. Welcome to this investor meeting. I really appreciate your time and your continued trust in EPL as we embark on an exciting new chapter.

Today, I would like to talk about a significant milestone in our journey. As you are aware, Indorama Ventures Limited, IVL, has entered into a definitive agreement to acquire a 24.9% minority stake in EPL from Blackstone. We are pleased to welcome Indorama as our investor. Indorama brings extensive global expertise in the packaging sector and have complementary geographic presence.

IVL's business spans packaging, recycling and specialty chemicals, serving marquee customers across diverse global markets, including pharmaceuticals, cosmetics, and personal care. Their deep industry knowledge and insights will strengthen our position and open new avenues for growth and innovation.

Importantly, Blackstone will continue as our largest shareholder and promoter, reaffirming their strong belief in EPL's value creation journey and also its future growth potential. Their decision to retain half of their stake underscores their confidence in EPL, our leadership team and the company's future prospects. The day-to-day operations of EPL remain unchanged. And we, as the leadership team, remain committed to driving growth and profitability as indeed we always have. But let me talk a little bit more about Indorama Ventures. Indorama Ventures is a global leader in sustainable packaging and chemical solutions with annual revenues of more than US\$15 billion.

With manufacturing operations at 117 locations across 31 countries, Indorama has a formidable presence in Asia Pacific, in Africa, in Europe and the Americas. The company is the world's number one PET producer and recycler, Americas number one non-ionic surfactant and fabric ingredient provider; and ASEAN's number one PET stable fiber manufacturer. Indorama delivered an EBITDA of \$1.5 billion in 2024 and maintains a strong balance sheet with liquidity of \$2.1 billion, ensuring significant financial resilience and growth capacity.

They are rated AA- with a stable outlook from TRIS Rating 2024. Indorama's diversified business spans three key segments: combined PET and Packaging, Indovinya and Fibers. The PET business is the largest with a US\$10 billion turnover. Indorama has developed a packaging business in the last 5 years, and this is important, it had a turnover of \$0.5 billion, delivering 21% EBITDA. So in some ways, a similar scale to EPL's packaging business, but well differentiated from EPL's packaging business. Indorama has a workforce of over 26,000 employees worldwide and have an enterprise value of \$10 billion with a robust asset base.

Indorama is ranked EcoVadis Platinum for sustainability, aligning well with EPL's own leadership in responsible business practices. Indorama has been following EPL for several years and has been impressed by our transformational journey, our leadership in sustainable packaging, our geographic expansion, our growing presence in the beauty and cosmetic sector and our consistent margin improvement. Their investment is a strong validation of EPL's business fundamentals and future growth potential.

Let me now talk about the strategic synergies and benefits for EPL that arise from this partnership. First, accelerated growth through geographic expansion. IVL's strong presence in South-East Asia and Africa perfectly complements our strength in India, China, Europe and the Americas. This creates significant opportunities for EPL to accelerate its geographic expansion, something that we have been pursuing organically over the last few years, for example, our entry into Brazil. For example, their regional expertise and strong presence will support our recently announced greenfield investment in Thailand, enabling faster market entry as well as deeper customer engagement.

Number two, operational synergies and cost efficiency. Indorama's expertise in specialty chemicals and packaging enhances our access to high-quality raw materials and also procurement efficiencies. Their packaging business provides opportunities in cross-pollination of customers. Their scale in the polymer and packaging industries presents opportunities for sourcing efficiencies, further strengthening our cost competitiveness while supporting margin expansion.

Third, sustainability. Indorama's EcoVadis Platinum rating and leadership in sustainable materials and recycling aligns with our vision to 'Lead the Pack Sustainably'. Their expertise in advanced materials and circular economy initiatives will accelerate our transition to next-generation packaging solutions, reinforcing our commitment to responsible growth and industry leadership.

And fourth, innovation and product synergies. EPL's expertise in laminated tubes and Indorama's leadership in PET-based packaging creates opportunities for collaborative innovation. By leveraging our complementary strengths, we could develop new and sustainable packaging solutions, enhanced product offerings and better serve the evolving needs of our customers.

Let me now talk a bit about Blackstone's continued commitment. Another crucial aspect of this transaction is that Blackstone remains our largest shareholder and promoter. Their decision to retain half of their stake is a testament to their confidence in EPL's long-term growth and value creation potential.

Blackstone is fully committed to the company, the management team and all shareholders. They continue to believe in our business fundamentals, strategic direction and the ability to drive strong financial performance. Blackstone will maintain its existing majority Board representation and will continue to work closely with the management team to support EPL's next phase of growth. They are also keen to welcome Indorama as a shareholder and look forward to the synergies this partnership will bring to the table to accelerate EPL's growth prospects.

Looking ahead, this marks a new chapter for the management team at EPL. Over the years, we have built a strong foundation, delivering 10 consecutive quarters of strong EBITDA growth, expanding into high potential markets and consistently strengthening our financial performance. Our ability to drive continuous margin improvement has positioned us as a leader in the packaging industry.

Our dedication to sustainability has earned us a CDP 'A' rating in Climate and Water, and a ranking of EcoVadis Gold. Our focus on innovation to develop Platina, a 100% recyclable sustainable tube, now forms 31% of our overall tube sales and is rapidly ramping up.

With Indorama Ventures joining as a strategic investor, combined with Blackstone's continued commitment as our promoter, we are well positioned to accelerate our momentum. This collaboration, alongside our dedicated management team, strengthens our ability to drive innovation, expand our global footprint and create long-term value for all stakeholders.

Net-net, we see this as a win-win for EPL. As we move forward, our priorities remain unchanged: delivering double-digit revenue growth, EBITDA growth ahead of revenue increase, driving sustainability initiatives and expanding into new geographies like Brazil and Thailand, while enhancing our presence in high-growth segments such as beauty and cosmetics.

We continue to remain focused on delivering consistent improvement on ROCE. With a strong foundation, the right strategic partner and the clear vision, we remain confident in our ability to sustain our leadership and continue delivering long-term value for all stakeholders.

Thank you very much. And with that, we will open up the call for some questions.

Moderator:

Thank you. The first question is from the line of Jayesh Gandhi from Harshad Gandhi Securities Private Limited. Please go ahead.

Jayesh Gandhi: Sir, congrats on the deal. I have two questions. First is who were the competitors that had bid for EPL's stake? And what made you to choose Indorama Ventures? That is the first question. The second is, is Indorama Group a supplier of any raw material to EPL currently?

Anand Kripalu: So as far as the second question is concerned, Indorama is not a supplier to any of our ingredients, okay? Now as far as who were the other bidders and our decision to go with Indorama, I'm not going to really comment on that because this is a transaction between shareholders. What I can tell you is that there were other bidders.

And importantly, my understanding is that Blackstone was looking for a strategic investor who would have a long-term interest in the development of EPL in the packaging sector. And that's the core reason why the deal was done with Indorama.

Moderator: The next question is from the line of Tanay from Investec. Please go ahead.

Tanay: I just wanted to understand what's the time line like for the completion of this transaction?

Anand Kripalu: I mean the time line will really be dependent on the regulatory requirements that are there before we get the full approval, right, from the various regulatory authorities in India at a couple of overseas markets. Our sense is that it could take a couple of months, but probably 3 months at the outset. That's the best estimate we have really.

Tanay: Got it. Thank you. That's all.

Moderator: Thank you. The next question is from the line of Harit Kapoor from Investec. Please go ahead.

Harit Kapoor: Just one question, sir. I just wanted to check, so if you look at Indorama's business, they don't have a significant business in India. And so does EPL then become the vehicle for their product categories also in India? And how can that -- how does that play out going forward? Or is that too forward a thought process?

Anand Kripalu: No, I think we're getting ahead of ourselves. There is no such plan of that kind. EPL will remain an independent company. There are no conversations about any products of Indorama being distributed or sold through EPL at all. At this point in time, they are a strategic investor, and they will come on to the board once the regulatory approvals happen. And our job as a management of EPL is to leverage the know-how and on-ground capability of Indorama across different markets and really leverage that for EPL's accelerated growth and performance. So that is really the framework of the arrangement at this point in time.

Harit Kapoor: Got it. And apart from that, is there any cost-led benefits also, given that we have a global footprint? So for example, say, you have a Thailand opportunity, and obviously, they're a very large player in Thailand. Apart from the reach -- is it also -- is there a cost capex, any of such kind of benefits that will come in with Indorama already being there as a partner? I'm just trying to think of other benefits.

Anand Kripalu: Yes. So accelerating our geographic expansion, clearly, there is a benefit of synergy in terms of know-how and on-ground understanding, okay, particularly when you're entering a new country.

On cost, I've actually called out in my opening comments that there could be opportunities, particularly in terms of sourcing and getting some negotiations done, getting to the right suppliers for certain products for our manufacturing and so on.

And some of these things, we will start scoping out as quickly as possible, but really, once Indorama actually formally comes on to the Board, right? But in terms of geographic expansion, that's something where we are going to start taking help from them almost right away.

Harit Kapoor: Got it. Wish you all the best. Thank you.

Moderator: Thank you. The next question is from the line of Kashyap Javeri from Emkay Investment Managers. Please go ahead.

Kashyap Javeri: Yes. Thank you so much. Two questions from my side. You mentioned that once the agreements are concluded and...

Moderator: I'm sorry to interrupt, Mr. Javeri. We are not able to hear you clearly.

Kashyap Javeri: I have two questions. One, you mentioned that once the relevant agreements are concluded and the relevant permissions from the authorities also come in, they will have some Board representation also. So once the deal is concluded, does the share purchase agreement also talk about what could be the Board composition eventually?

Anand Kripalu: So I'll tell you how it's currently envisaged. So like I said earlier, Indorama gets 1 Board seat. Currently, our Board comprises 8 Directors, 4 of them are Blackstone nominees. There is me as the Managing Director of the company, and then there are 3 Independent Directors. So currently, we have 8.

The current plan is that all these 8 continue. So the 4 Blackstone Directors, me and the 3 Independent Directors, and there is provision for a ninth Board seat, and that goes to Indorama, okay? And then they will accordingly nominate a person to take that Board seat. And therefore, it will be a construct of 9 Board positions.

Kashyap Javeri: Okay. And second question is, again, on the share purchase agreement, does it have any call put option from the either side or as of now it's restricted to the 25.85 or the numbers which has been part of the share purchase agreement today?

Anand Kripalu: Yes, I'm requesting Deepak to just answer that for you.

Deepak Goyal: So the current agreement is only about the 24.9% share sale and there is no further call or put option or ROFR, which is right of first refusal.

Kashyap Javeri: From either side?

Deepak Goyal: From either side. Yes.

Kashyap Javeri: Okay. Sure. Thank you so much. That's it from my side.

Moderator: Thank you. The next question is from the line of Nikhil Kanodia from Monarch Network Capital. Please go ahead.

Nikhil Kanodia: Good evening sir. Am I audible?

Management: Yes. Good evening.

Nikhil Kanodia: Sir, first of all, congratulations on this strategic transaction. Sir, my first question on the Board provision has been answered. So my next questions are number one with Indorama coming in, what are Board envisage that you will -- like in a year or so like on an immediate basis, you will get into diversification into that geographies, number one?

And the second question is with Indorama coming in, are we envisaging anything on the PET-based products or we will continue to have the teams which are based on HDP and LDP?

Anand Kripalu: Unfortunately, your voice is not coming through very clearly. But I think I've got a hang of your second question and then we'll come back to your first one, again, request you to repeat it. On the second one is, there is no shift in our planned product portfolio from what we do today and what we do, in other words, essentially, our vision strategy and strategic priorities remain pretty much the same.

We aim to use the knowledge that Indorama brings to the table to accelerate the journey along the same lines of our existing strategy. So it's about acceleration rather than a new strategy of any kind. Now if you can repeat your first question.

Nikhil Kanodia: So my first question was, like you mentioned in your opening remarks, there will be some geographical diversifications with Indorama coming in. So just wanted to check with you, is there any -- like have they identified any geographies which we will be doing on an immediate basis in a year-or-so?

Anand Kripalu: So I can't answer that question fully at this point in time because we are at scoping stage. However, what we have done is announced our entry into Thailand, and we aim to leverage Indorama's knowledge on the ground. They're headquartered in Thailand to help us to really accelerate our presence there, get started and also help with introductions to deepen our customer engagement over there.

So Thailand is very clearly a case in point where we aim to get off the ground even faster than we would have been able to do on our own. All I can tell you is that there are many other geographic synergy possibilities. For example, in Africa, and I'm not specifying the country, but Africa is largely -- Sub-Saharan Africa is largely a virgin market for EPL. So it's a massive market.

Clearly, we are going to look at opportunities to plant an EPL flag in Sub-Saharan Africa. When I look at Southeast Asia itself, apart from Thailand there are many other large markets in Southeast Asia and generally, those are robust economies. We will be exploring possibility for extension of planting an EPL flag in countries beyond Thailand as well. But this is at a very high

level of scoping. Suffice to say that across these markets, at least, there would be opportunities in terms of geographic acceleration.

Nikhil Kanodia: Okay, sir. Understood. Thanks for answering those questions and all the best for your future and business.

Anand Kripalu: Thank you so much.

Moderator: Thank you. The next question is from the line of Sameer Gupta from India Infoline. Please go ahead.

Sameer Gupta: Hi, sir. Thanks for taking my questions. Firstly, just wanted a clarification on the Board control. I heard in some of the earlier interviews that you said that the control of the Board will remain with Blackstone. But my understanding is that they will have 4 Board members out of 9. So the control is not with Blackstone. So just wanted you to clarify on this part.

Anand Kripalu: Well, see, Blackstone is the largest significant shareholder and they are the promoter of the Company, right? They will have 4 Board seats, like I said, through our direct Blackstone nominees and then 4 others, like I said, me and 3 other independents, right? And I is with Indorama. So if you think about it the way we were running pretty much now, I don't expect any significant shifts in decision-making. And I suppose your question is what happens if the decision gets put to vote, right? Is that your real question?

Sameer Gupta: Yes. I mean if they don't have majority in the Board, right?

Anand Kripalu: Yes. But I'm just saying that -- well, hypothetically, yes. But the reality is any decision in the 3 years that I've been here, which we have had to put to vote, right, there has been 100% alignment in all decision-making. And it's unlikely that there's going to be a major shift, particularly with the independent directors and so on, given that our strategy is fully owned by the Board of the Company.

Sameer Gupta: Sir, I understand that, sir. I just wanted -- I mean, am I reading it wrong because that's all I was trying to clarify. And it's very clear, thanks for this. Secondly, what I understand amount clear synergies from the transaction is you get clientele or you may get clientele access in beauty and cosmetics and entry in Thailand and Africa, that seems to be very clear. The other thing that you mentioned on procurement, sourcing, sustainability, etc., those seem to be more like may or may not happen and can be explored, is this understanding correct?

Anand Kripalu: Well, the point is this, which is at a high level, there are bound to be synergies on the cost side. But you're right at a micro level, these are still being teased out. As you'd imagine, we only announced the deal on Monday. And therefore, these are things that will be scoped out. And like I said earlier, will take probably a more concrete form when Indorama firmly get inducted on to the Board and when the stake sale is approved.

Deepak Goyal: But Anand, if I could just add here. The way, Sameer, we look at the deal is that we are getting a very, very large packaging -- global packaging company as our investor, right? They have global expertise, they are strong in multiple geographies, etc. And hence, from EPL's point of

view, it will benefit us in our geographical expansion, cost synergies, etc., that is bound to happen, right?

So timing aside, and we will accelerate it as much as possible, but the deal is positive from EPL's skill sets point of view. We are getting much better skill sets, much higher global penetration as a representation on our cap table.

Sameer Gupta: Got it. One last question, if I may squeeze in. What is the salience or revenue contribution for Indorama from Africa?

Deepak Goyal: I know that they are very large in Africa. There have been in countries like Nigeria and all for a long time. I don't have a number on their Africa revenue mix as of now, but they are fairly large in that continent.

Anand Kripalu: So they're definitely large, but maybe if you send us a mail or something, we will see if that information is available. We will reach out and try and get that information to you, but we don't have the numbers off hand right now.

Sameer Gupta: No worries, no worries. I'll try to find it out myself. No worries. That's all for me.

Anand Kripalu: All right. Thank you.

Moderator: The next question is from the line of Rishab Bothra from Anand Rathi Shares and Stock Brokers.

Rishab Bothra: Yes, I wanted to understand 2, 3 things. Firstly, will Indorama be also categorized as promoter?

Anand Kripalu: No.

Rishab Bothra: Secondly, by when will the Blackstone second tranche of sale happen, if at all?

Anand Kripalu: There is no plan for the foreseeable future. Blackstone's decision to retain half their stake is because they see significant value creation opportunity and a strong future ahead for EPL. So there is no immediate plan for that for the foreseeable future.

Rishab Bothra: But nothing has been mentioned in the share purchase agreement on this front? Or is there something?

Anand Kripalu: No, nothing of this kind.

Rishab Bothra: Okay. And by when will the open offer trigger? I mean, it's more than 15% stake acquisition by Indorama, correct?

Deepak Goyal: The open offer gets triggered only after -- beyond 25% and also when the investor is taking, let's say, control or becoming a promoter, etc. None of that is happening. Indorama is a strategic financial investor with only 1 Board seat. They are not going to, let's say -- they are not taking a controlling stake in the company and hence, no open offer is getting triggered.

- Rishab Bothra:** Got it. And last question, if some quantification can be there for revenue maximization and cost minimization with this from what will...
- Deepak Goyal:** I think right now we are, let's say, a bit early in that stage. All we can say is that this deal, an introduction of Indorama on our cap table is positive for the company. Now once all the regulatory approvals happen, they come on the board and they formally become our investor that's when the scoping really can pick up speed. And after that, we will be happy to come back and confirm those numbers.
- Rishab Bothra:** Last, can Indorama also exit business because you mentioned that they have just come as a financial partner?
- Deepak Goyal:** Sorry, so what is your question?
- Rishab Bothra:** So can Indorama also exit at a given point of time, let's say, in medium to long term as well? Because you mentioned they have come as a financial partner?
- Deepak Goyal:** So from transaction possibility point of view, can it happen? Is it possible? But Indorama is a large packaging company. They have been very impressed with EPL. They have been very, very interested in this business for a long time. Even in 2019, when the earlier transaction happened, they were looking at the business and they placed a formal bid, right?
- So they have seen this business, have been interested in it for a long, long time. Now they have got a stake as a strategic investment. I think whenever a strategic investor comes into the company, they come in for the long haul, right? And not for a short -- they are not looking at it as a financial investment. They are looking at it as a strategic partnership of sort, right? And those run for long term. So my assessment is that now this stake is off the table, right? So yes.
- Rishab Bothra:** No. You mentioned in one of the remarks as financial investors, then that is why this question came up. And lastly, are we dealing with Indorama in any manner, raw material or finished goods purchases as of now?
- Deepak Goyal:** Sorry, again, I missed the question. Your voice is not too clear. Can you repeat, please?
- Rishab Bothra:** Are we dealing with Indorama as of now in any sort of either finished goods purchases or raw material purchases?
- Deepak Goyal:** So we do not have any transactions with Indorama as of today.
- Moderator:** The next question is from the line of Vinamra Hirawat from JM Financial. Please go ahead.
- Vinamra Hirawat:** So with Indorama headquarter all listed in Thailand, we'll likely get maximum support in that country. Now that we have them as investors, is it fair to assume a reasonably large entry in Thailand, since you scale up far quicker with them on board?
- Anand Kripalu:** Well, I think what we are clear about is that there will be an acceleration of our startup in Thailand. The way we normally approach our business is that the vision is large, but the idea is to act fast and get started and then expand as your customer base expands because normally what

we do is to have the basic facilities with adequate space for expansion and then invest in new lines as and when the customer base goes up and orders come.

Now if we, with Indorama's support on Thailand, are able to get a customer list that's growing at a faster rate and volumes growing at a faster rate, we will expand at a faster rate. So that's the way I think you could think about it.

Moderator: Thank you. As there are no further questions, I now hand the conference over to Mr. Pratik Tholiya for his closing comments. Mr. Pratik, please proceed with your closing comments.

Pratik Tholiya: Yes. Thanks, Lizan. On behalf of Systematix Institutional Equities, I would like to once again thank all the participants for logging into this call and thanks for the management for taking all the questions very candidly. Sir, would you like to make any closing comments?

Anand Kripalu: No. Thank you, Pratik, and thank you to everybody for your time and your continued support to EPL.

Pratik Tholiya: Thank you so much, sir. Thanks a lot.

Anand Kripalu: Okay. Bye.

Moderator: Thank you, members of the management team. Ladies and gentlemen, on behalf of Systematix Institutional Equities, that concludes this conference call. We thank you for joining us, and you may now disconnect your lines. Thank you.