

August 10, 2023

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

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

**Ref: Presentation on unaudited financial results for the quarter ended June 30, 2023.**

We are pleased to enclose herewith our presentation on unaudited financial results for the quarter ended June 30, 2023.

A Copy of the presentation is also being posted on Company's Website i.e. [www.polyplex.com](http://www.polyplex.com).

Thanking you,

Yours faithfully,  
For Polyplex Corporation Limited

Ashok Kumar Gurnani  
Company Secretary  
Encl: as above

Email : [akgurnani@polyplex.com](mailto:akgurnani@polyplex.com)

**Polyplex Corporation Limited**

CIN : L25209UR1984PLC011596

B-37, Sector-1, Noida-201301, 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

## August 10, 2023

First Quarter 23-24  
Financial Results & Business Profile



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**Company Overview**



**Quarter & Year under review**



**Success Enablers**



**Stability in Earnings**



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**Growth Capex**



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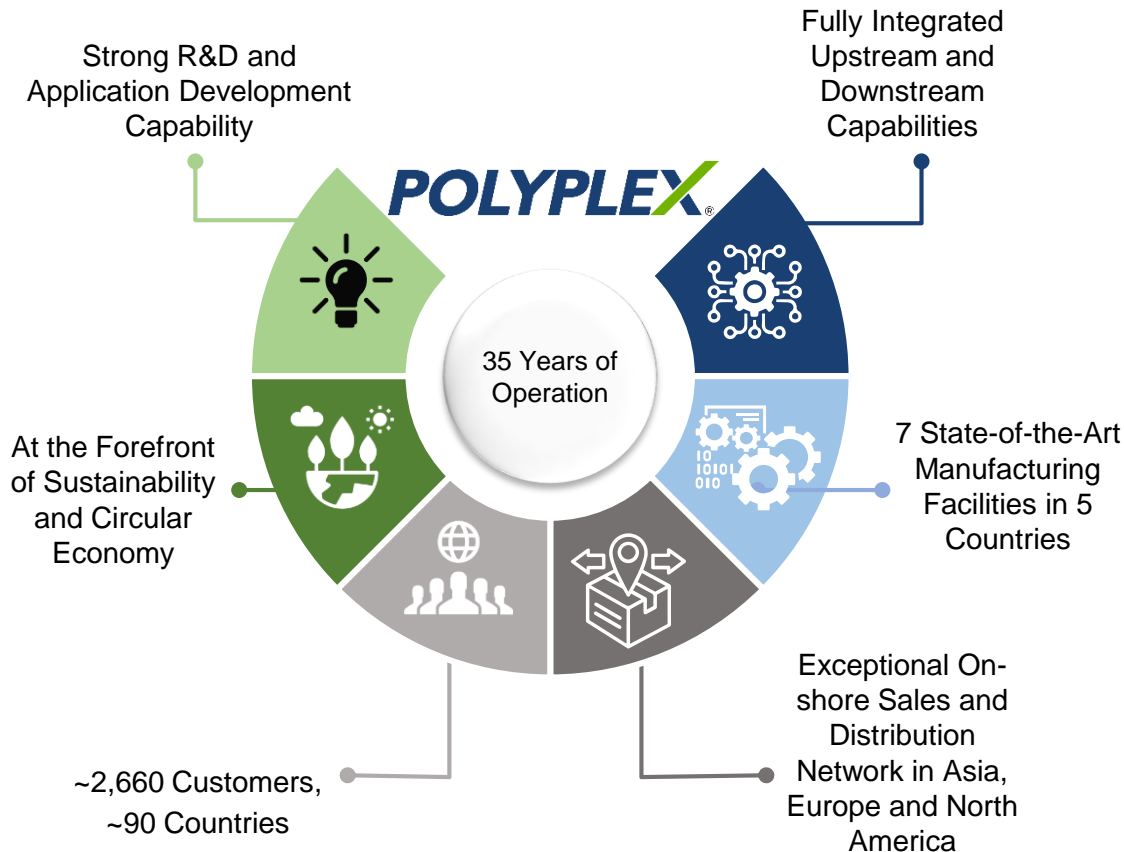


# Company Overview

# Polyplex at a Glance

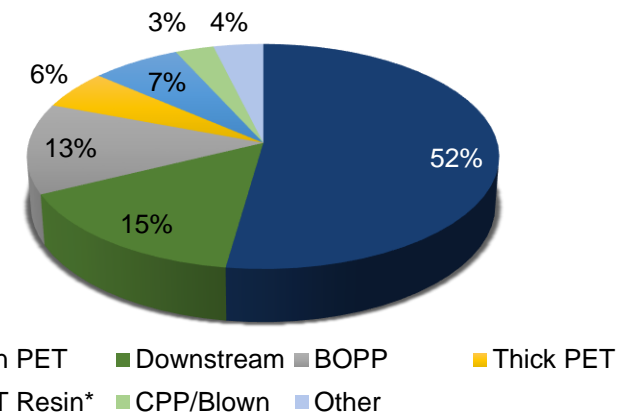
- Integrated and diversified manufacturer of plastic film substrates including BOPET (thin & thick), BOPP, CPP and Blown PP / PE
- Wide offering of specialty, innovative and differentiated products across a variety of packaging, electrical & electronic and other industrial applications
- Unique value proposition of on-shoring, off-shoring and near-shoring for a global customer base, while maintaining cost leadership
- Superior sales & distribution network and strong technical support in key demand centers driving deep customer relationships

## Unique Global Business Model...



## ...With a Diverse Product Profile...

Product Breakdown (Q1FY24 Revenues)



## ...Across a Wide Range of Applications

### Packaging

- Food & Beverage
- Labels
- Beauty, Personal & Home Care
- Healthcare & Pharma

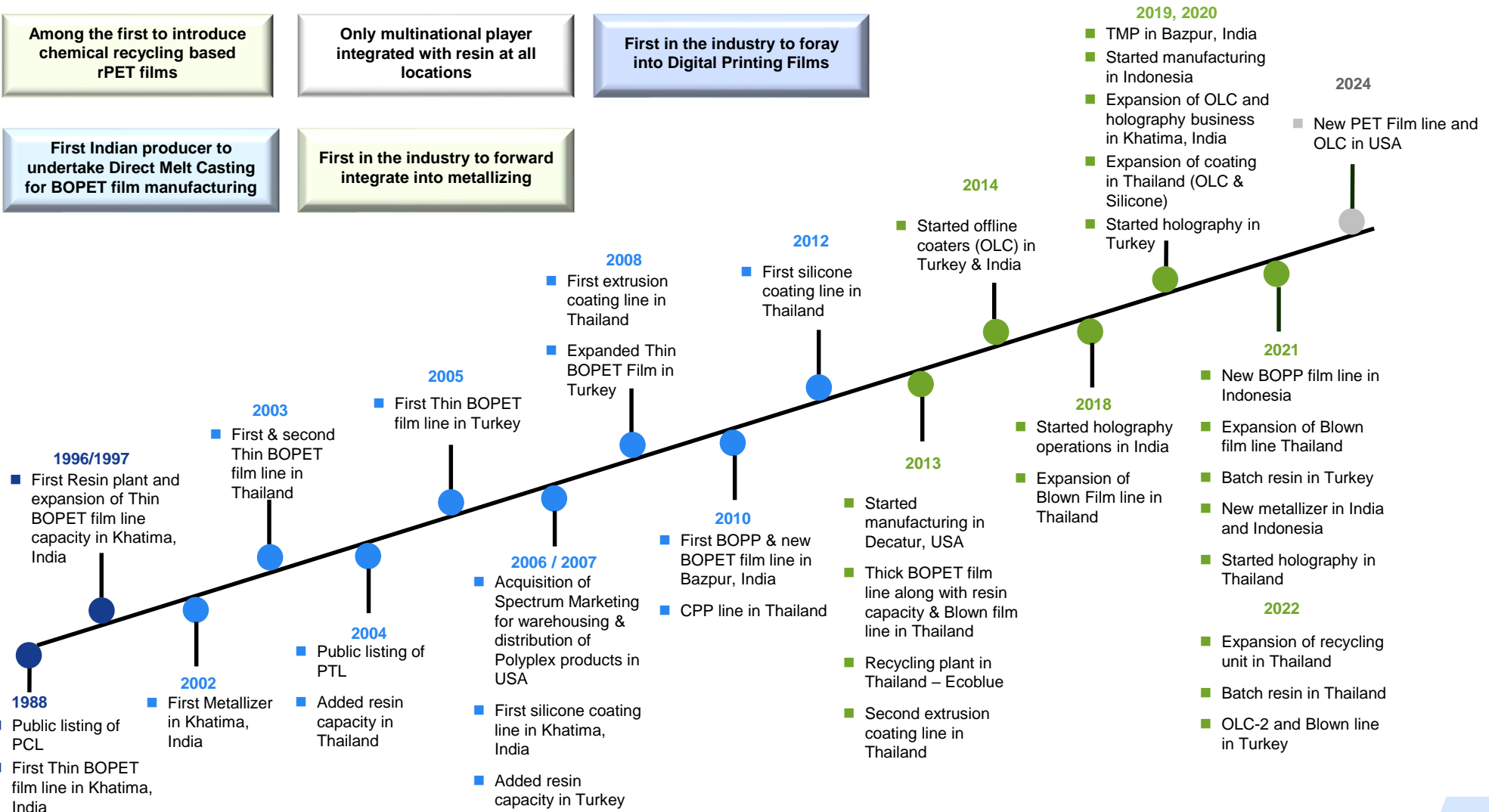
### Industrials

- Electrical & Electronic
- Building & Construction
- Film for Liners, PV and LiB for EV
- Digital

# Polyplex Journey so far: Ability to identify & capitalize on opportunities

## Trend-Setter With Many 'Firsts' in the Industry

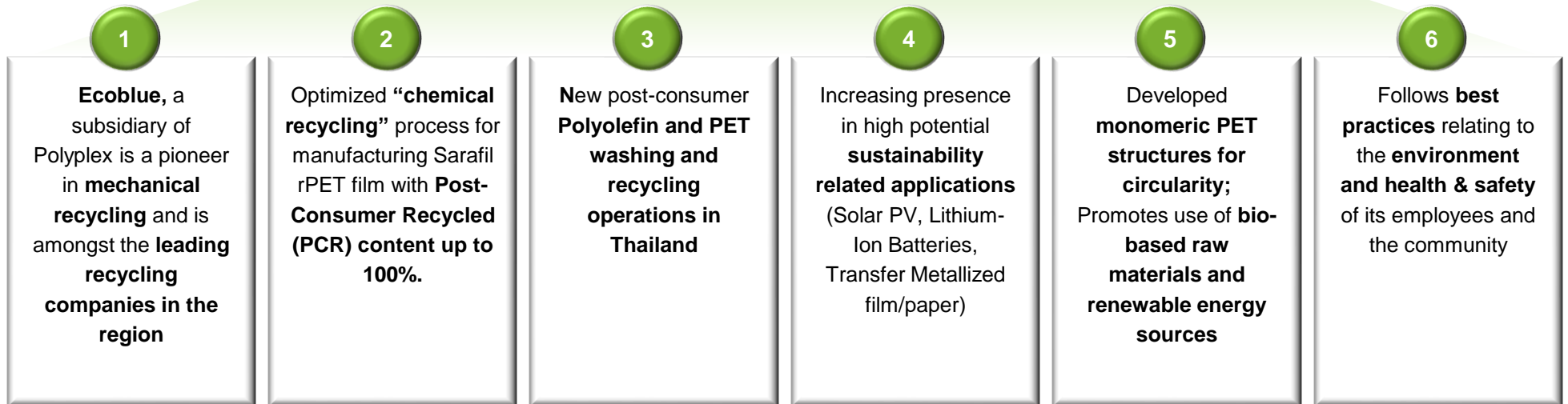
First Indian manufacturer to set up overseas operations	First in the industry to operate 10.6-meter line @ 675 mpm	First in the industry to invest in post-consumer and post-industrial plastic waste recycling
Among the first to introduce chemical recycling based rPET films	Only multinational player integrated with resin at all locations	First in the industry to foray into Digital Printing Films
First Indian producer to undertake Direct Melt Casting for BOPET film manufacturing	First in the industry to forward integrate into metallizing	



# Pioneer in Sustainable Products and Processes in the Industry

## Strong Commitment Towards Sustainability Focused Innovative Solutions

- Spearheading post-consumer and post-industrial waste (PIW) recycling in the industry towards achieving the goal of circular economy
- Has taken various initiatives to recycle waste, save energy and use clean technology to assert environmental commitment



Partnering with Leading Brands to Develop Sustainable Products

Active Participation in Several Industry Groups





# Quarter under review



# Financial Performance – Snapshot

India Rating & Research  
IND AA- (Positive Outlook)

Superior Value Creation Over the Years...

(Q1 FY 23-24)

(FY 22-23)



**\$190mm**

Revenue<sup>#</sup>



**\$13mm**

Normalized  
EBITDA<sup>\*</sup>



**\$951mm**

Revenue<sup>#</sup>



**\$132mm**

Normalized  
EBITDA<sup>\*</sup>



**7%**

Normalized  
EBITDA<sup>\*</sup>  
Margin



**3%**

ROCE<sup>1</sup>



**14%**

Normalized  
EBITDA<sup>\*</sup>  
Margin



**15%**

ROCE<sup>1</sup>

...Driven by Strong, Sustainable Profitability



Widening of the  
Product Portfolio



Operational Efficiencies  
and Cost Optimization



Increasing Share of D-  
PAC Sales



Market Positioning

# Q1 FY 23-24 Performance Snapshot

QoQ Growth  
(Q1 FY 23-24 v/s Q4 FY 22-23)      YoY Growth  
(Q1 FY 23-24 v/s Q1 FY 22-23)

Sales Volume (All Films) 82,052 MT	-7% ↓	-5% ↓
Sales Revenue 1,558 INR Crores (\$ 190 million)	-6% ↓	-23% ↓
Normalized EBITDA 109 INR Crores (\$ 13 million)	1% ↑	-73% ↓
PAT (Before Minority) -10 INR Crores (\$ -1 million)	-151% ↓	-103% ↓
EPS -0.99 INR/Share	-141% ↓	-102% ↓

## Factors impacting QoQ:

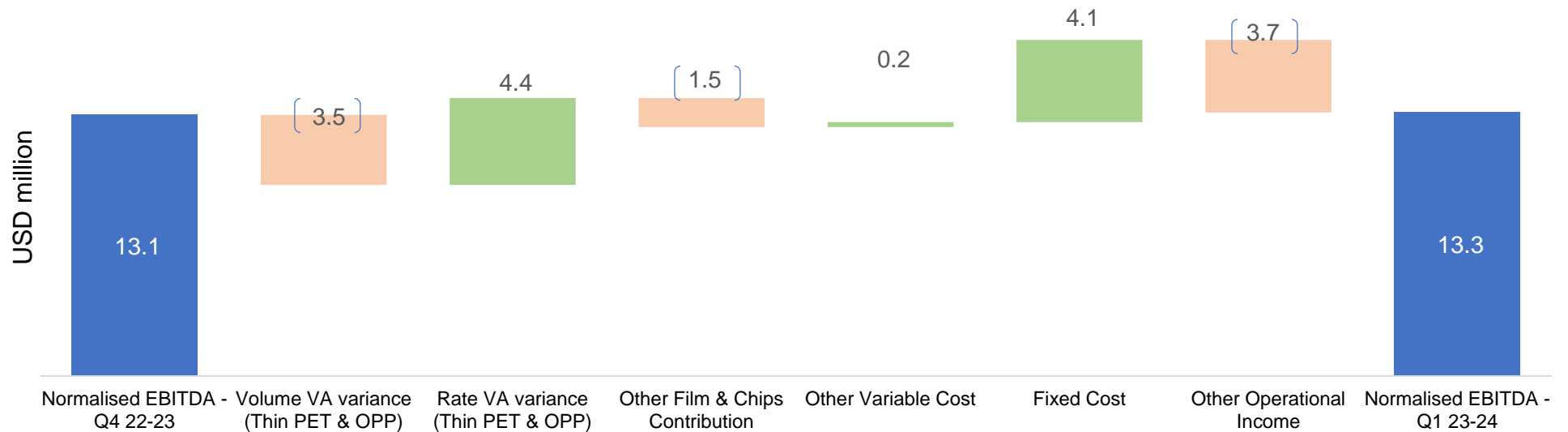
- Lower sales revenue due to lower volume resulting from a combination of internal and external factors
- In Q1 23-24, there is an unrealized FX loss of INR 35.34 crores (\$ 4.30 million) as against an unrealized FX gain of INR 11.78 crores (\$ 1.43 million) in Q4 22-23, on account of restatement of foreign currency long term loans due to appreciation of FX loan currencies against the respective reporting currencies. This is the MTM gain/loss impacting the PAT & EPS

## Factors impacting YoY:

- Lower sales revenue due to lower volume and fall in selling prices resulting from lower raw material cost and weaker market conditions
- Higher fixed costs - primarily utilities, repair & maintenance and impact of inflation
- In Q1 23-24, there is an unrealized FX loss of INR 35.34 crores (\$ 4.30 million) as against an unrealized FX gain of INR 30.20 crores (\$ 3.91 million) in Q1 22-23, on account of restatement of foreign currency long term loans due to appreciation of FX loan currencies against the respective reporting currencies. This is the MTM gain/loss impacting the PAT & EPS

# EBITDA Evolution

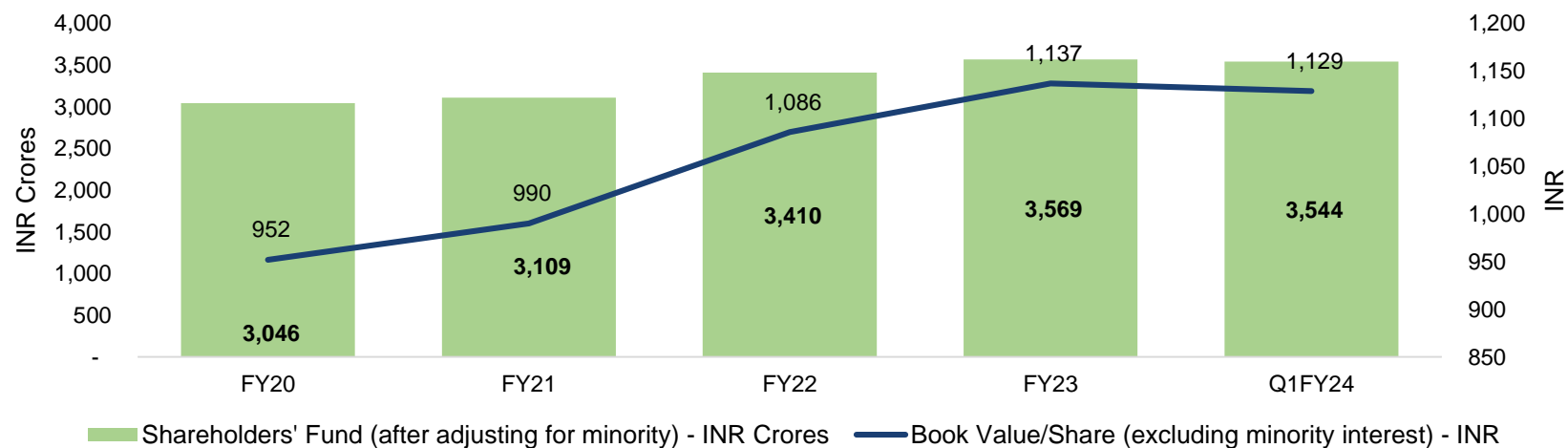
Normalized EBITDA Bridge (Q1 23-24 vs Q4 22-23)



- *Volume impacted due to technical issues, trials and market conditions for BOPP/OPP*
- *Positive rate variance on account of specialty mix and downstream operations, thus offsetting some of the impact of lower volume*
- *Lower fixed cost due to decrease in Natural Gas tariff and lower spend on Repair & Maintenance as compared to scheduled major maintenance in previous quarter*

# Shareholders' Return

## Improving Shareholders' Return



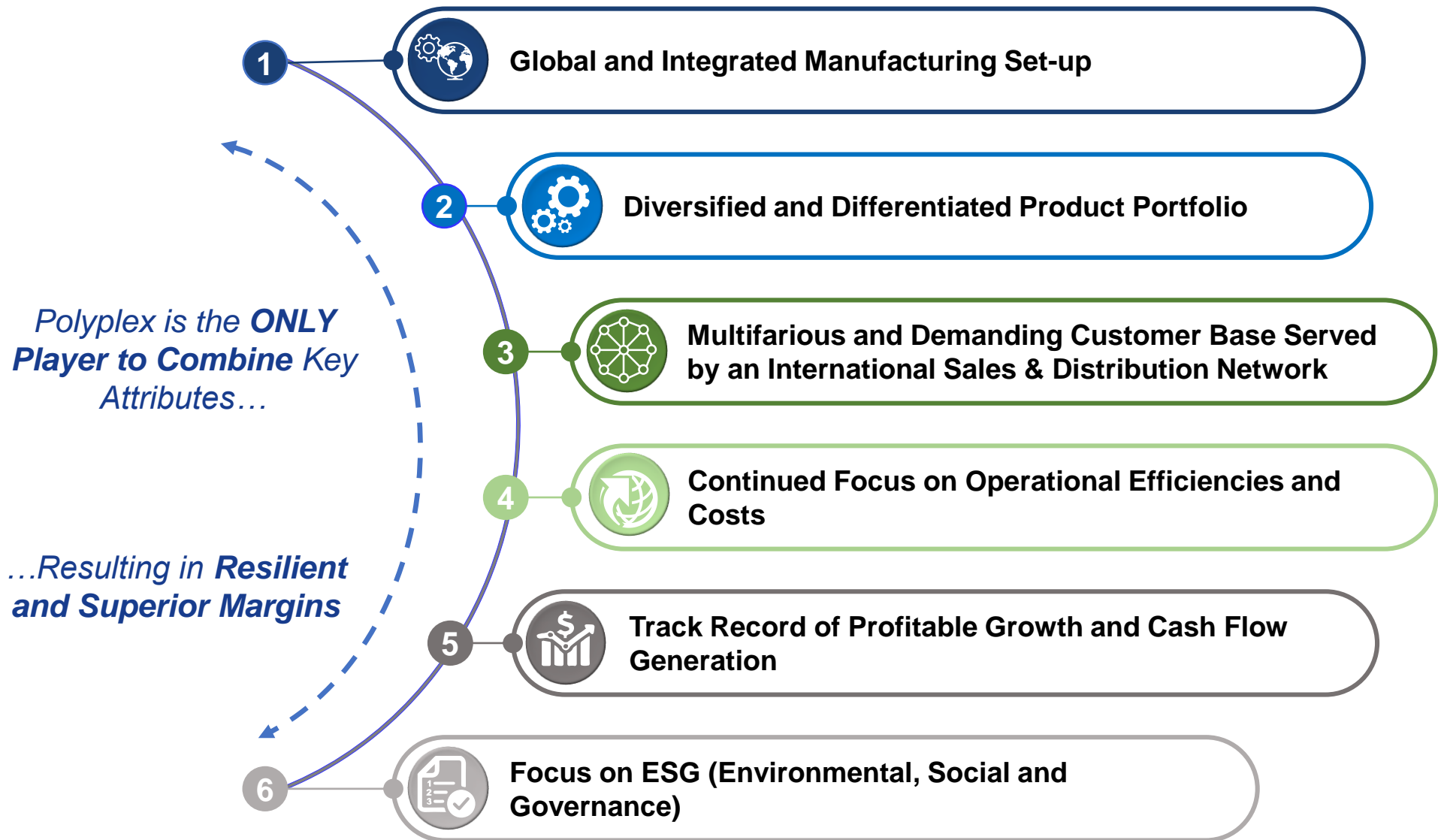
Shareholders' Return (CAGR)	Last 1 year	Last 3 years	Last 5 years	Since IPO (1988)
<b>(A) Total Returns*</b>				
➤ Polyplex	-44%	42%	33%	24%
➤ Nifty 500-TRI	14%	25%	13%	-
➤ BSE Small Cap-TRI	28%	40%	17%	-
<b>(B) Stock Price Movement</b>				
➤ Polyplex	-48%	28%	22%	15%
➤ Nifty 500	13%	23%	12%	-
➤ BSE Small Cap	27%	38%	16%	-

\* Dividend Reinvestment Method; Dividend considered based on the pay-out dates; The returns have been calculated based on the stock price data as on 03rd Aug'23



# Success Enablers

# Success Enablers

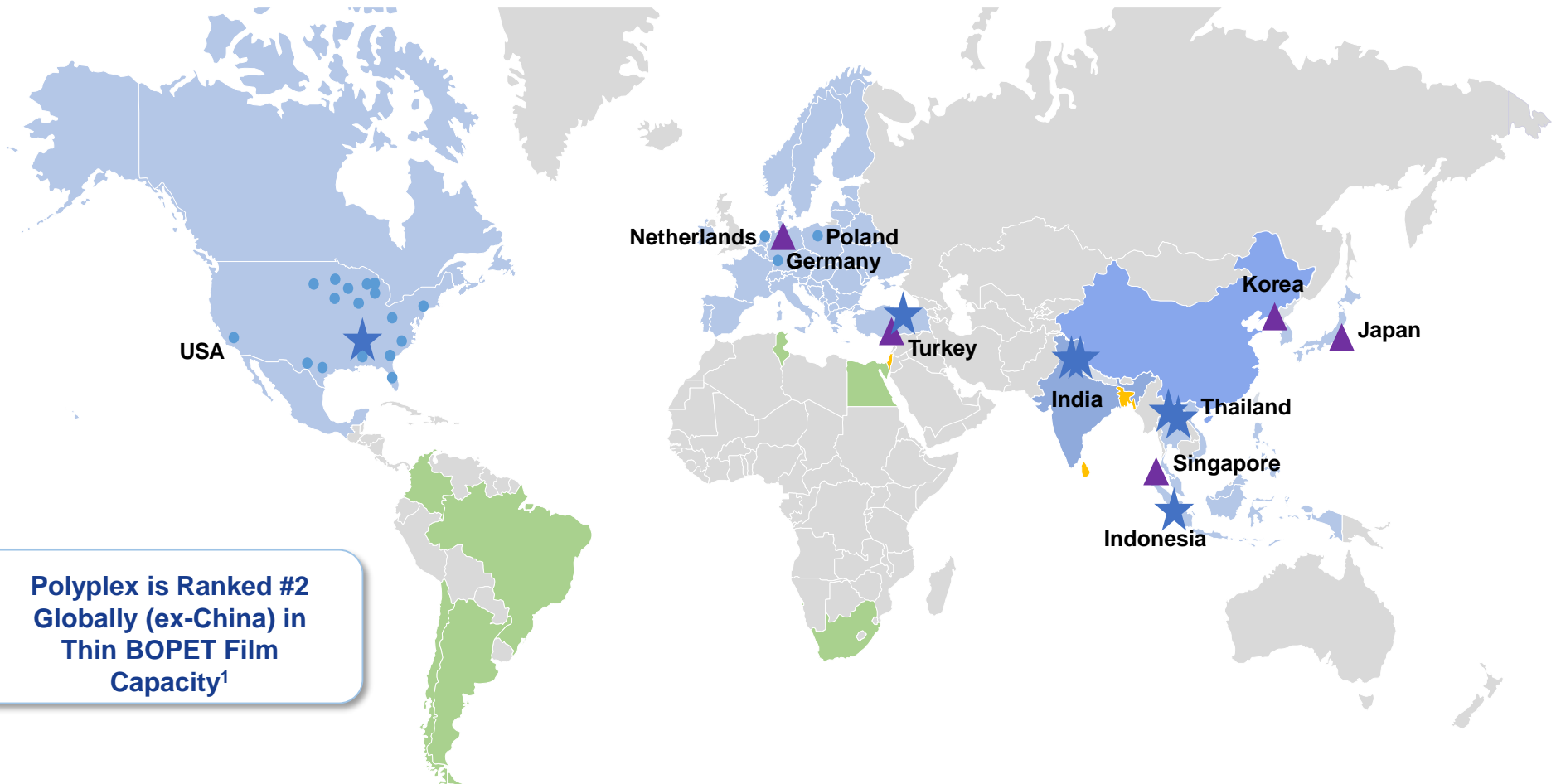


1

# A Self-Contained Manufacturing & Sales Capability in Each Region

Manufacturing Proximity and an Entrenched Sales & Distribution Network in Major Demand Centers Ensure a Reliable Supply Chain for Customers

**7 Manufacturing Facilities** In **5 Countries** with Multiple Warehouses & Liaison Offices Worldwide with Total Base Films Capacity<sup>1</sup> of **436k MTPA** (BOPET Films: **313k MTPA**)



**Polyplex is Ranked #2 Globally (ex-China) in Thin BOPET Film Capacity<sup>1</sup>**

- ★ Group Manufacturing Locations
- Warehouses
- ▲ Trading Company/Representative Office
- Countries with Direct Sales Presence
- Agent Presence

<sup>1</sup> Including capacity under implementation

# 1 Integrated Manufacturing Capacities Across Geographies

Ability to Provide a Comprehensive Suite of Products in Each Manufacturing Location

	Resin		Base Films					Value Added Films			
	PET Film Resin <sup>1</sup> (MT)	Mechanically Recycled Resin <sup>2</sup> (MT)	BOPET Thin (MT)	BOPET Thick (MT)	BOPP (MT)	CPP (MT)	Blown PP / PE (MT)	Metallized (MT)	Holography (MT)	Coated <sup>3</sup> (mm SQM)	TMP (mm SQM)
India	77,600		55,000		35,000			32,500	4,080	257	83
Thailand	1,06,050	43,000	42,000	28,800		10,000	13,645	21,700	960	985	
Turkey	75,850		58,000				4,392	20,700	480	320	
USA	28,400 57,600		50,000 31,000					9,250		120	
Indonesia	90,000		48,000		60,000			18,000			
<b>Total</b>	<b>435,500</b>	<b>43,000</b>	<b>284,000</b>	<b>28,800</b>	<b>95,000</b>	<b>10,000</b>	<b>18,037</b>	<b>102,150</b>	<b>5,520</b>	<b>1,682</b>	<b>83</b>

Total Resin Capacity (incl. upcoming capacities):  
478,500 in MTPA

Total Base Films Capacity (incl. upcoming capacities):  
435,837 in MTPA

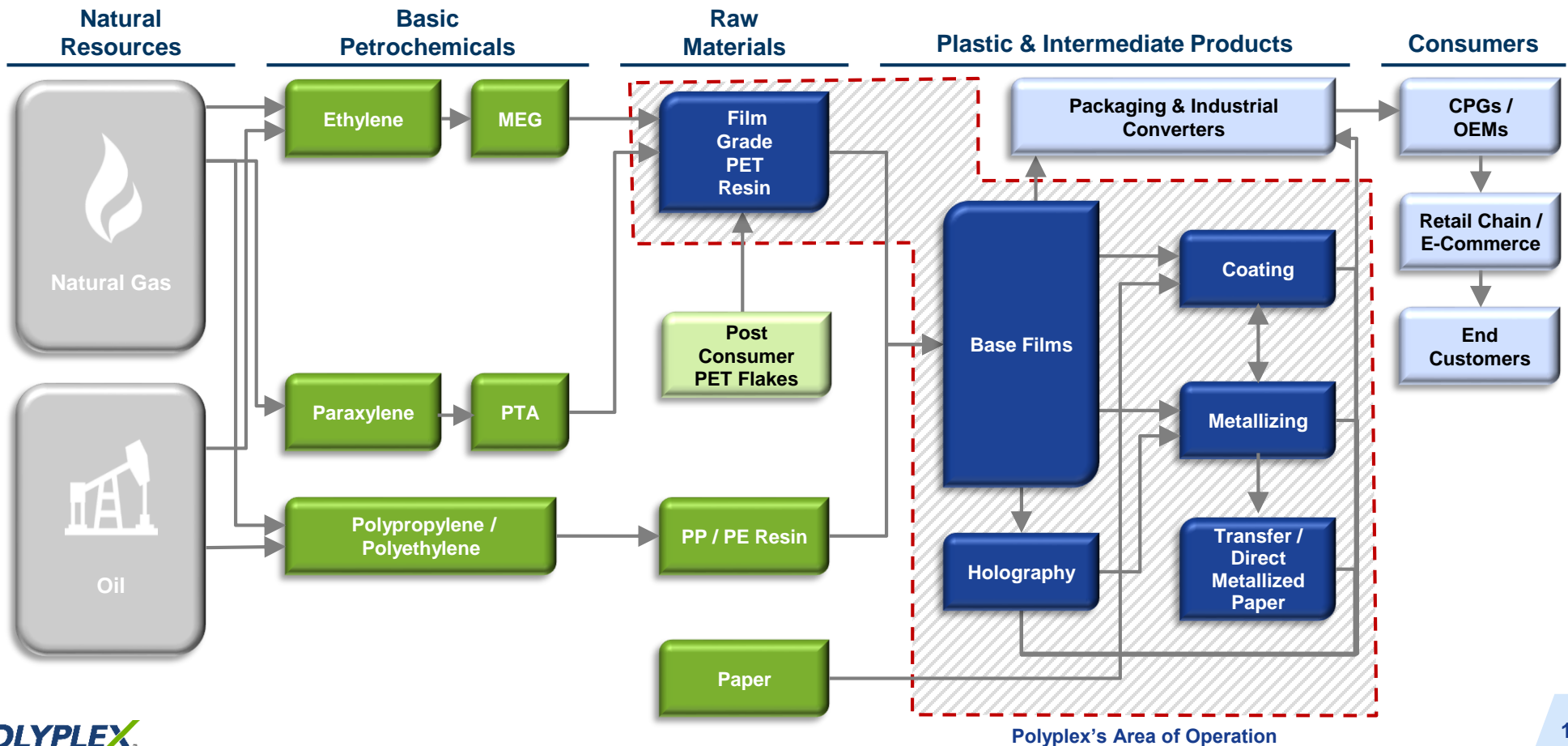
Upcoming capacity



# 1 Integrated Manufacturing Has Broadened Product Portfolio

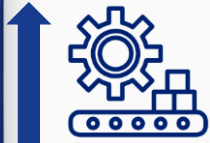
## Base Film Lines with Upstream PET Resin Plants and Downstream Capabilities

- The only global player with resin plants at all manufacturing locations
- Forward integration provides ability to undertake one or more downstream processes on the Base film, leading to higher innovation and value addition, while ensuring cost effectiveness and reduced volatility
- Backward integration is vital to developing resins required for specialty products, apart from enhancing cost competitiveness and ensuring supply security
- In-house mechanical and chemical recycling furthers Polyplex's sustainability goals, by replacing virgin PET resins (made from PTA and MEG) with Post consumer PET bales / flakes



# Integrated Manufacturing Across Geographies

Ensures Supply Chain Efficiency, Cost Optimization & Lower Time to Access and Market New Products and Applications



**Backward integration into captive PET resin production** at all film manufacturing locations is **unique to Polyplex in this industry**



Assured and consistent availability of quality raw material



Reduced costs with adequate and secured return on incremental investment



Protects proprietary composition and helps in film product development, especially for D-PAC portfolio



Significant premium saved in buy v/s make for specialty resin



Direct Melt Casting (DMC) ensures better quality and energy management, while being cost competitive



Chemical recycling of post consumer & post-industrial waste



Opens merchandizing opportunities



**Forward integration to downstream capabilities** results in superior market positioning and higher returns



Wider product and application range



Diversified customer base



Increase customer and market penetration



Increased ability to provide customized and more technical products



Increasing proportion of value-added films with corresponding reduction in standard film sales



Substantial savings including freight, packing costs, wastage, fixed costs and technical development



Provides platform for future growth

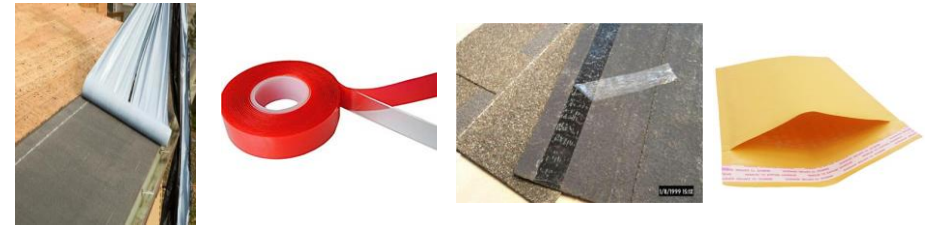
## 2 Polyplex – A Respected Plastic Film Manufacturer

In addition to Sarafil range of standard and specialty base films, Polyplex has diversified into several value-added downstream products under Saracote, Saralam and Saraprint brands over the last 10-15 years



### Sarafil®

Sarafil Base Films are suitable for a range of applications with their inherent properties of being clear, transparent, flexible, sealable, chemical inertness, high barrier, superior mechanical properties and high heat resistance



### Saracote®

The Saracote range of silicone coated films (PET/PP) is designed to provide an excellent carrier to pressure sensitive material. The typical applications are in labels, tapes, roofing shingles and “peel & stick” underlayment



### Saralam

The Saralam range of extrusion coated film products cater to a variety of end uses such as thermal lamination products including documents, identity cards, carton lamination and wide format commercial films



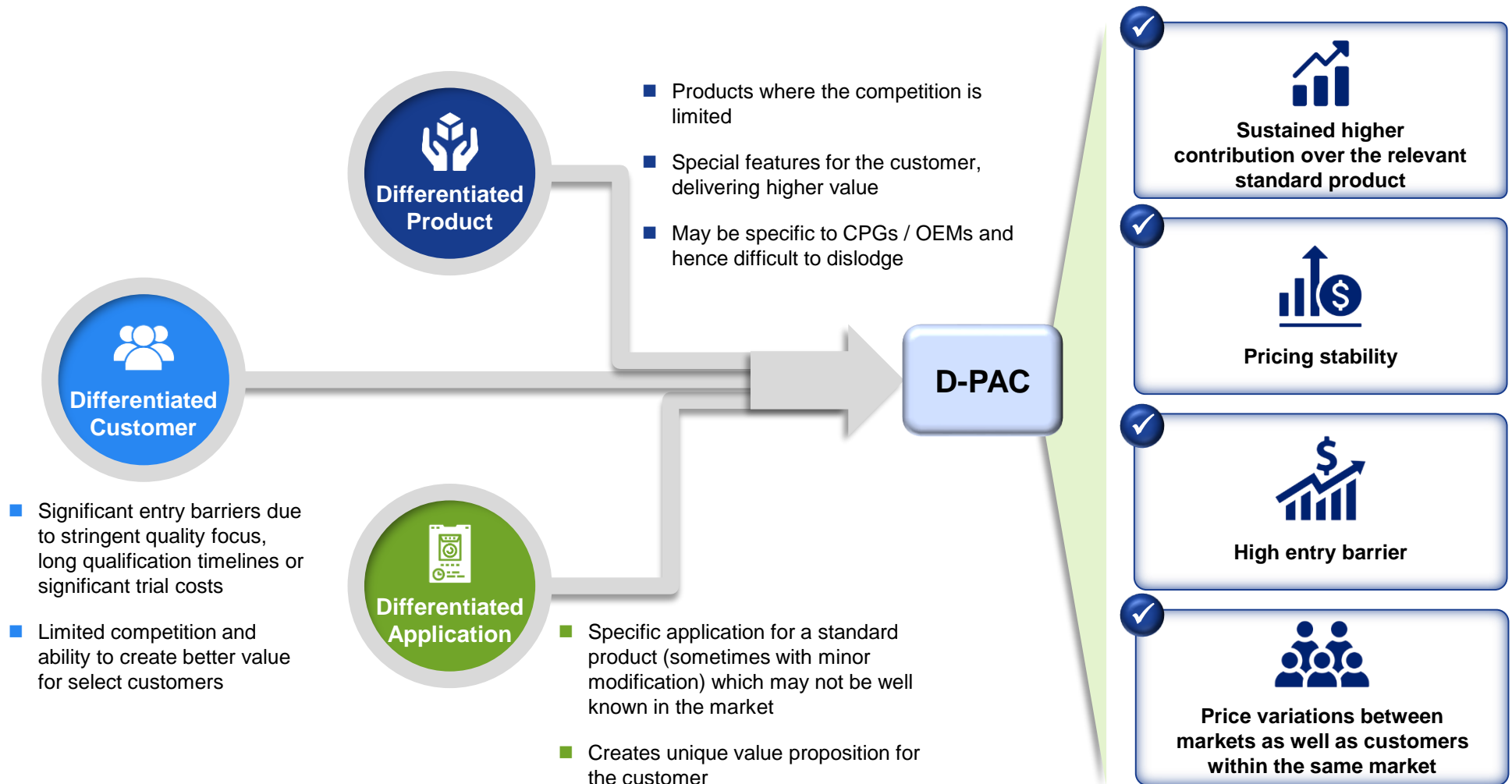
### Saraprint Coloring Digitally with Innovation

Saraprint is an innovative non-tearable polyester film designed for digital print media segment for photo album, general printing, promotional & customized digital printing, mini-offset printing and labels

# Focus on Highly Differentiated Specialty Film Sales

Differentiated Product, Application or Customer (D-PAC): Drives Polyplex's Right to Win in a Competitive Industry

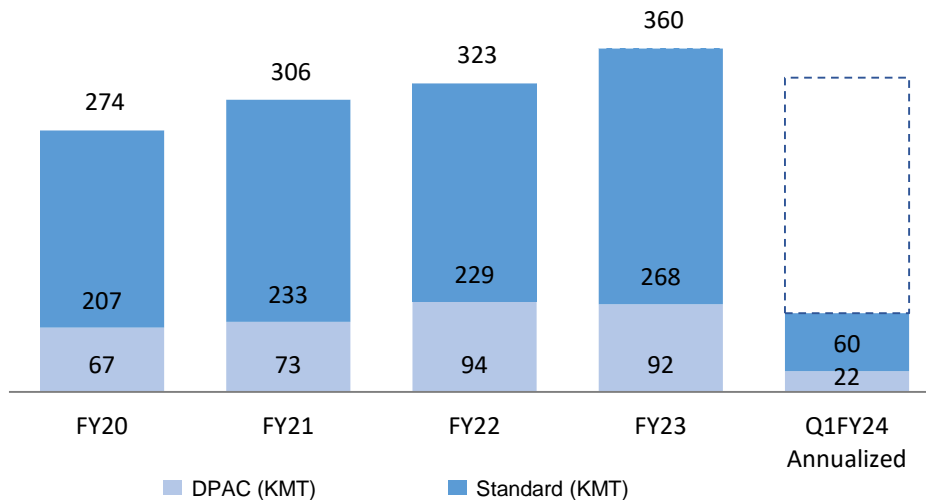
Unique value proposition of differentiated products, applications and customers has led to a healthy growth in specialty portfolio



## 2 Increasing Contribution of D-PAC Sales

### Continued Increase in D-PAC Volumes...

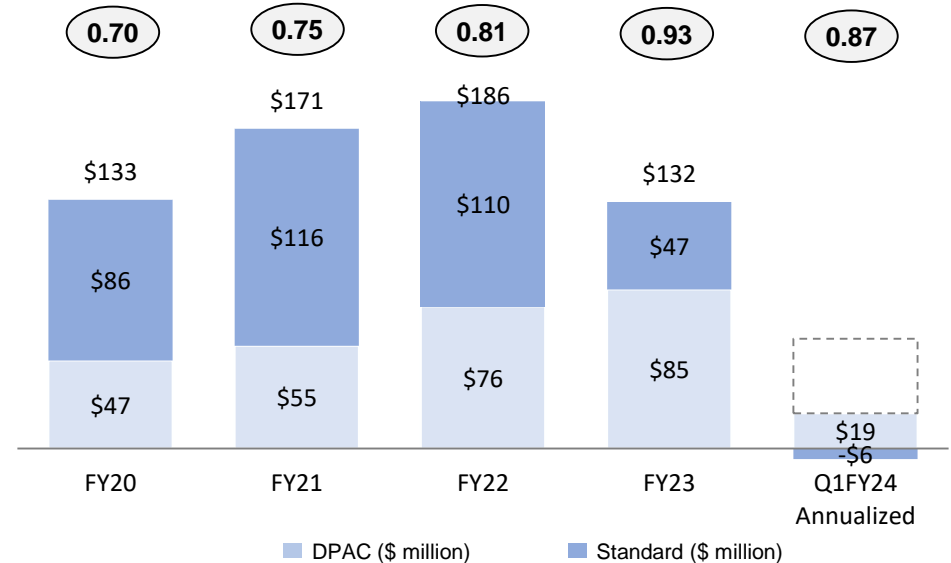
KMT (films)



### ...Resulting in Growth of Incremental<sup>1</sup> D-PAC EBITDA

Incremental EBITDA for D-PAC (\$ / kg)

EBITDA (\$ million)



### Polyplex's Unique Strategy

**Constant addition of new products to the differentiated portfolio**, effectively “replacing” older and standard products

**Sustained investments in projects in Turkey, US, India and Thailand** expected to drive growth in D-PAC sales

**Strong relationships and continued engagement with anchor customers** for an iterative product development process

<sup>1</sup> The contribution from D-PAC sales to the overall EBITDA represents “incremental” margin over and above standard products net of additional costs (raw materials, differential productivity, wastages and conversion costs). As an illustration, if standard film price is 100, D-PAC product price is 200 and additional cost is 30, then the resulting incremental margin would be 70;

# 2 Product and Application Penetration (1/6)

## Flexible Packaging - Food<sup>1</sup>

### Sugar & Confectionary



### Frozen Food



### Cheese & Dairy



### Snacks & Cookies



### Tea & Coffee



### Cereals



### Food Staples



### Soups



### Liquids



### Specialty



### Food



### Others



# 2 Product and Application Penetration (2/6)

## Flexible Packaging – Non Food<sup>1</sup>

### Medical & Pharmaceutical



### Kitchen & Home Care



### Cigarettes & Tobacco



### Personal Care & Hygiene



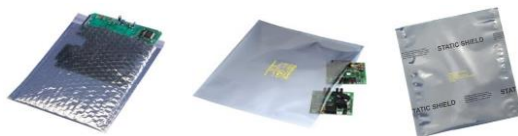
### Pet Food



### Garden & Outdoor



### Electronics Packaging



### Miscellaneous



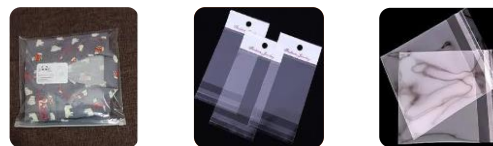
### Personal Care & Hygiene



### Shrink Films



### Textile Bags

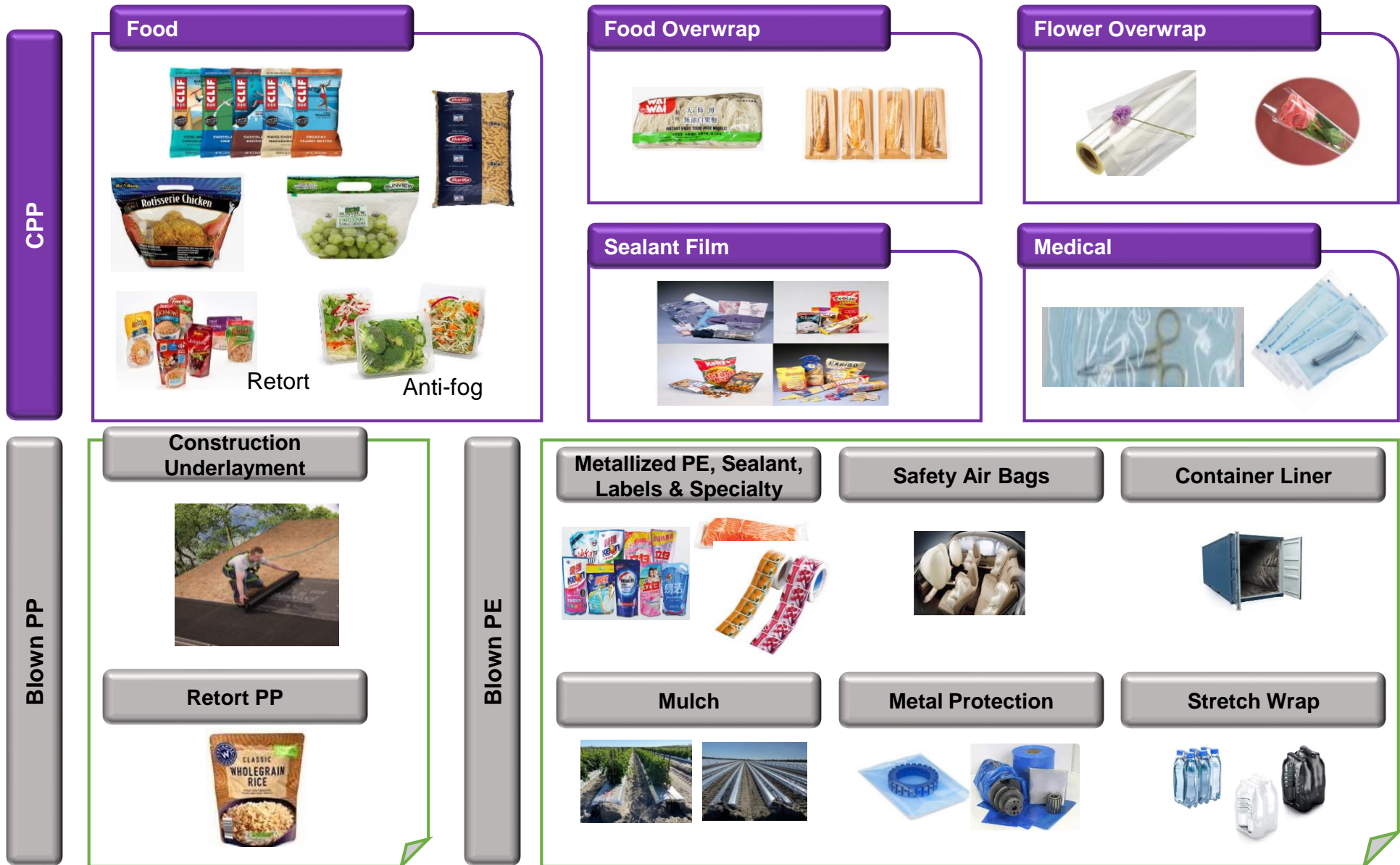


### Tapes



# 2 Product and Application Penetration (3/6)

CPP & Blown PP/ PE





## 2 Product and Application Penetration (4/6)

Labels, Carton, Holography<sup>1</sup> and Paper

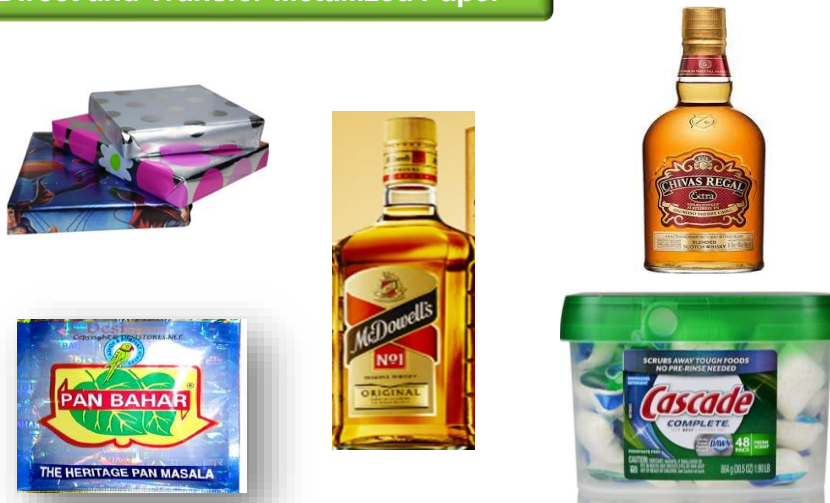
### Labels



### Carton Packaging



### Direct and Transfer Metallized Paper



### Brand Protection - Holography



# 2 Product and Application Penetration (5/6)

Industrial<sup>1,2</sup>

## Thin Films<sup>1</sup>

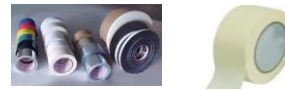
### Flexible Ducting



### Hot Stamping Foil



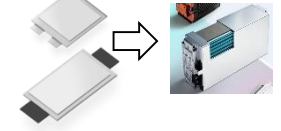
### Tapes



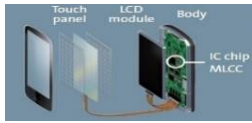
### Release Liners<sup>1,2</sup>



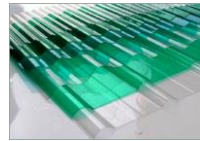
### EV Battery



### MLCC



### Construction, FRP<sup>1,2</sup>



### Window Films<sup>1,2</sup>



### Electronics<sup>1,2</sup>



### Others



## Thick Films<sup>2</sup>

### PV Solar



### Electricals



### Media & Decoration



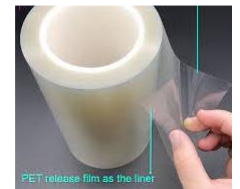
### Screen Protection



### Face Shield



### Electronic Liner



## 2 Product and Application Penetration (6/6)

### Downstream

Saracote

#### Construction



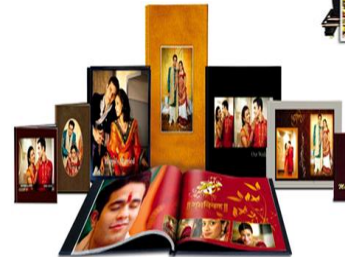
#### Release Liners



Saralam



Saraprint



# Constantly Innovating to Ensure Sustained Differentiation

## Dedicated R&D Ecosystem in India

Demonstrated ability to partner with customers for joint product development and co-innovation due to strong technical capabilities, thereby deepening customer relationships



**A separate R&D department** registered with the Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology (India)



**14 dedicated personnel in corporate R&D** supplemented by local technical service and R&D team with significant experience in chemicals, coatings, resin, converting process and other relevant fields



**Growing IPR\* portfolio** (26 patents and 9 trademarks granted, 12 patents applied for)

Focus on innovation and collaborative application development to become a **preferred supplier/partner of several large multinational customers**

**Better technical services and new products** are being facilitated by leveraging in-house R&D capabilities and experience

Collaborative research with government labs and educational institutions to **drive innovation and new sustainable products**

Enhanced cross-learning and sharing best practices/benchmarking across various units to **increase efficiency and synergy**

# Global and Well-Diversified Customer Base

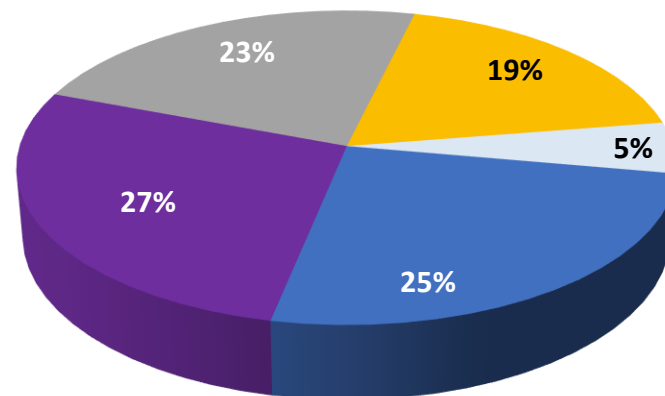
Deep-Rooted Relationships with Key Customers Spanning Over 15+ Years

- Tier I supplier to leading global and regional converters who cater to global CPGs / OEMs
- Strong manufacturing and distribution capabilities helps capitalize on the increasing preference of customers to source locally



## Access to Global Customer Base...

Geographic Business Mix (Q1FY24 Revenue)



■ Americas ■ Other Asia ■ Europe ■ India ■ RoW

## ...Given Capability of Catering to Customers' Preference for Local Sourcing

- ✓ Domestic availability helps in improving supply chain reliability and optimizing inventory
- ✓ Changing needs of CPGs/ OEMs requiring quick turnaround
- ✓ Flexibility in small order deliveries and responding to unplanned requirements
- ✓ Domestic purchase reduces risk from pricing and foreign exchange movements
- ✓ Limited financial capability of small customers



~2,660 customers in ~90 countries across Europe, Asia (ex-India), India, the Americas and RoW



Packaging and Industrial applications (69% and 31% of FY23 turnover respectively)



Diversified end-use across several industries



Low customer concentration risk with top 10 film customers accounting for 25% of total FY23 turnover



## ■ Business process continuous improvement and excellence programs

- Undertaking several initiatives to improve business processes and optimize costs through continuous improvement in the areas of productivity, wastage, freight, packing, energy conservation, inventory management and other processes
- Benefits from these programs have been accruing over the last several years and incremental benefits are expected in the future as well



## ■ Structure new investments to build on leadership in delivered cost

- Near-shore and on-shore manufacturing strategy
- Benefit from logistics and trade duty differentials



## ■ Capacity utilization

- Ensuring ~100% CUF across all manufacturing plants even in the context of global over-capacity:
  - Swift ramp up in capacity utilization of BOPET, BOPP and other downstream assets
- Debottlenecking existing assets



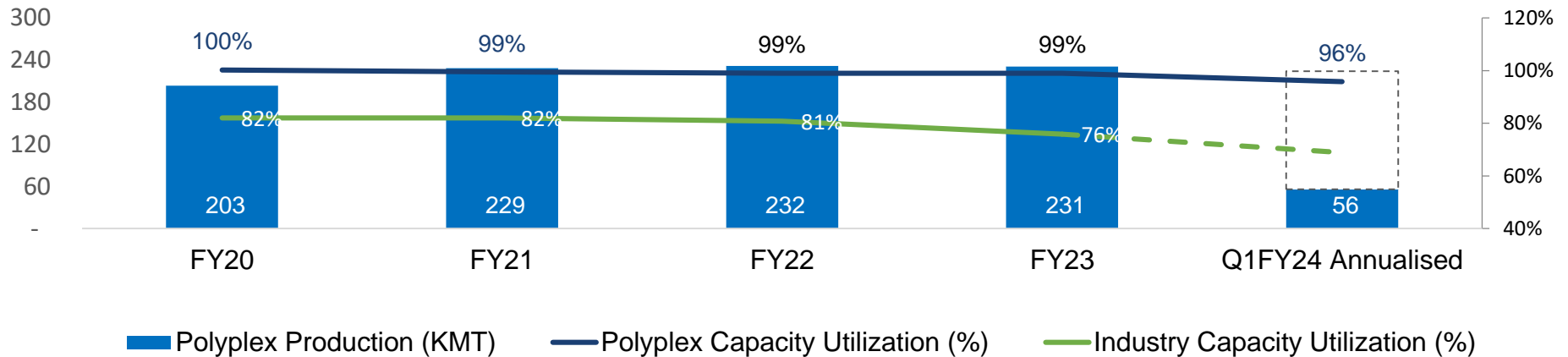
## ■ Asset configuration

- Cost efficiency through large contemporary assets being used for standard products
- Continue to repurpose older lines for producing specialty films efficiently
- Economies of scale through minimum asset base of two base film lines, resin plant and downstream capabilities at each manufacturing location

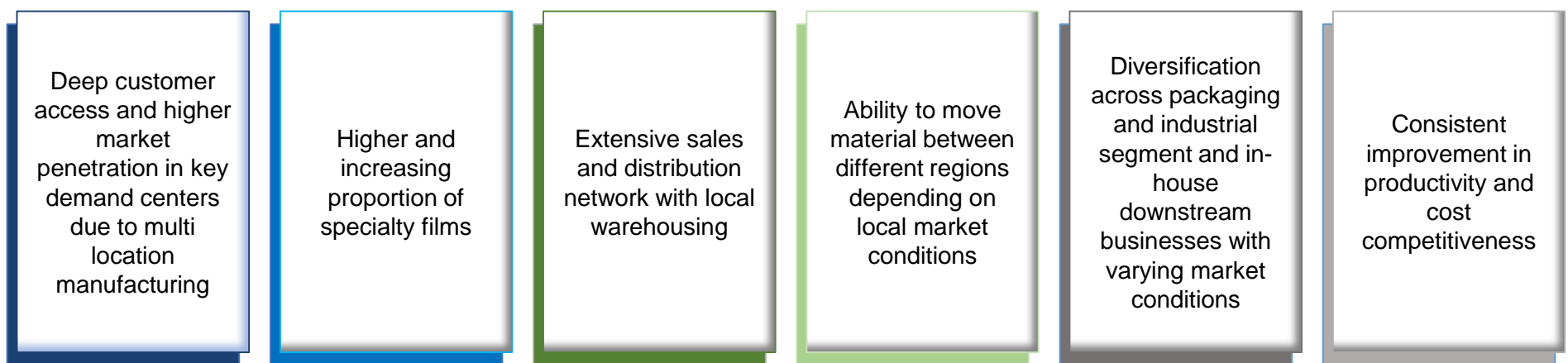
# Superior Utilization Relative to Industry

Polyplex has consistently improved capacity utilization through debottlenecking and outperformed the industry

(Thin BOPET Film utilization)

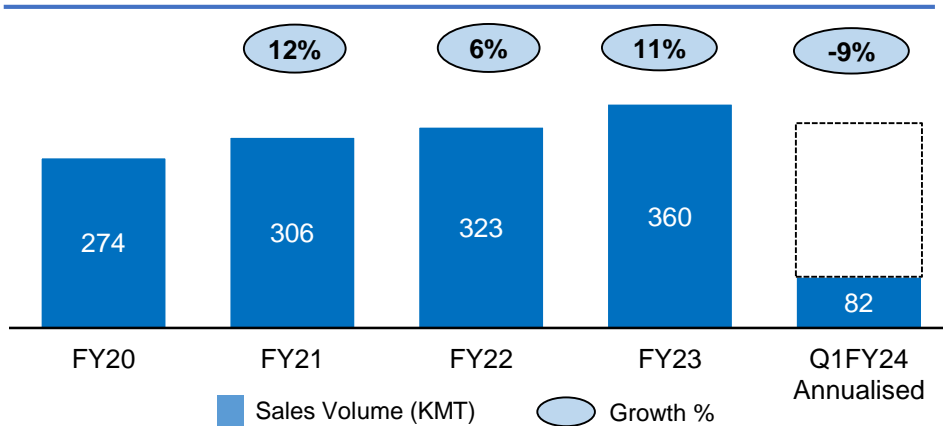


## Key Drivers for Strong Capacity Utilization

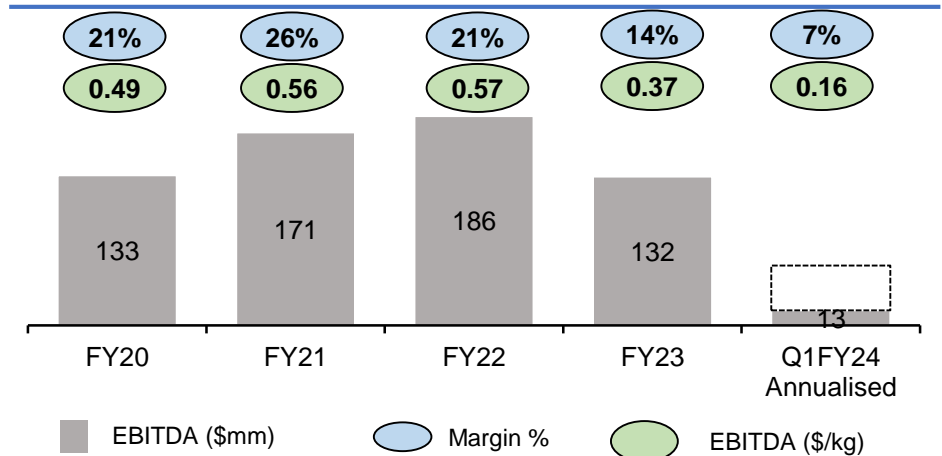


# 5 Sustained and Profitable Growth (1/3)

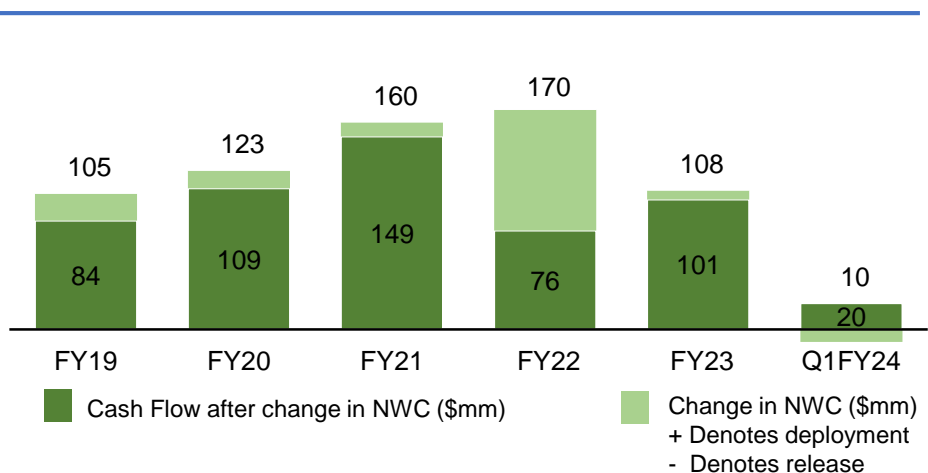
### Sales Volume Across All Films (KMT)



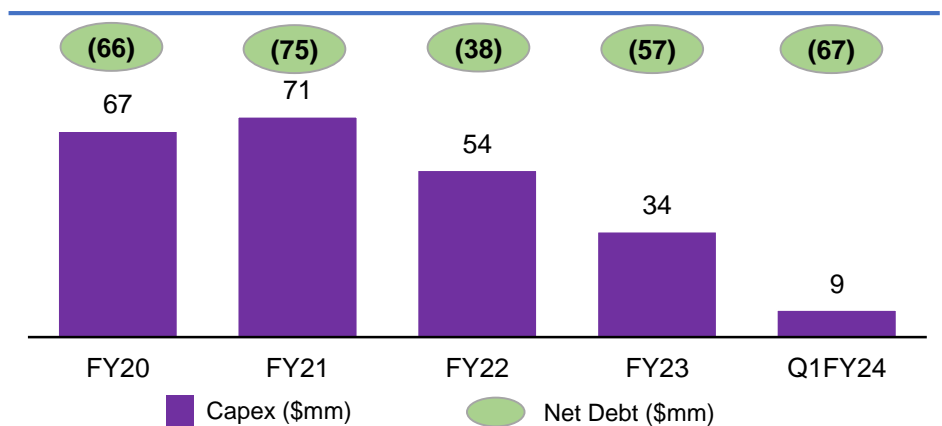
### EBITDA (\$mm) and EBITDA Margin (%) & \$/kg



### Cash Flow from Operations<sup>1</sup> (\$mm)



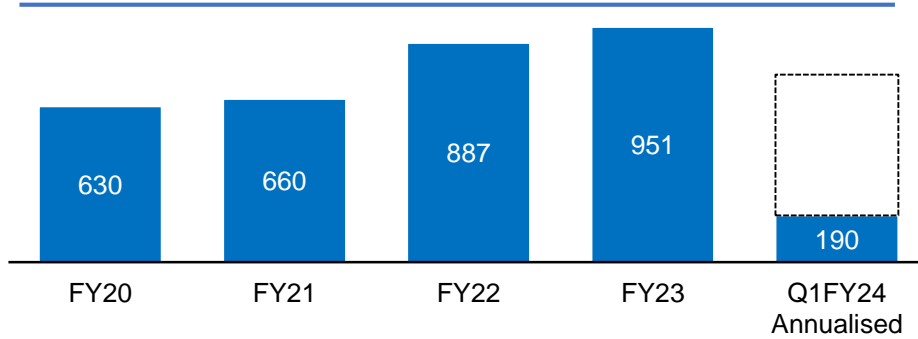
### Capex (\$mm) & Net Debt (\$mm)



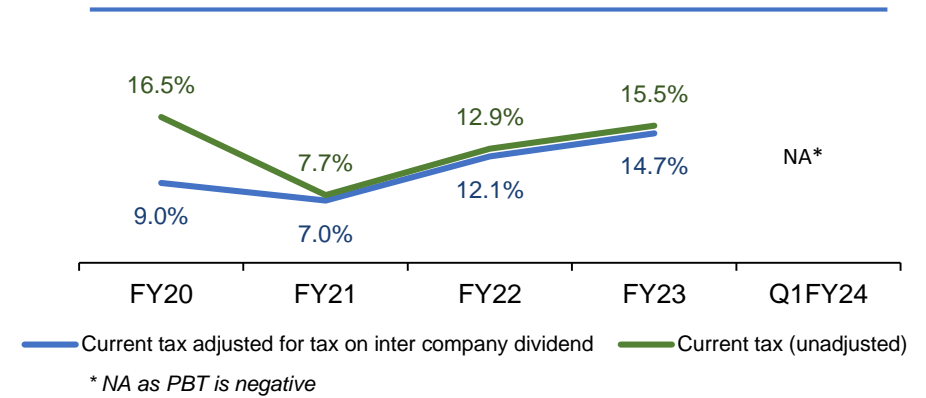


# 5 Sustained and Profitable Growth (2/3)

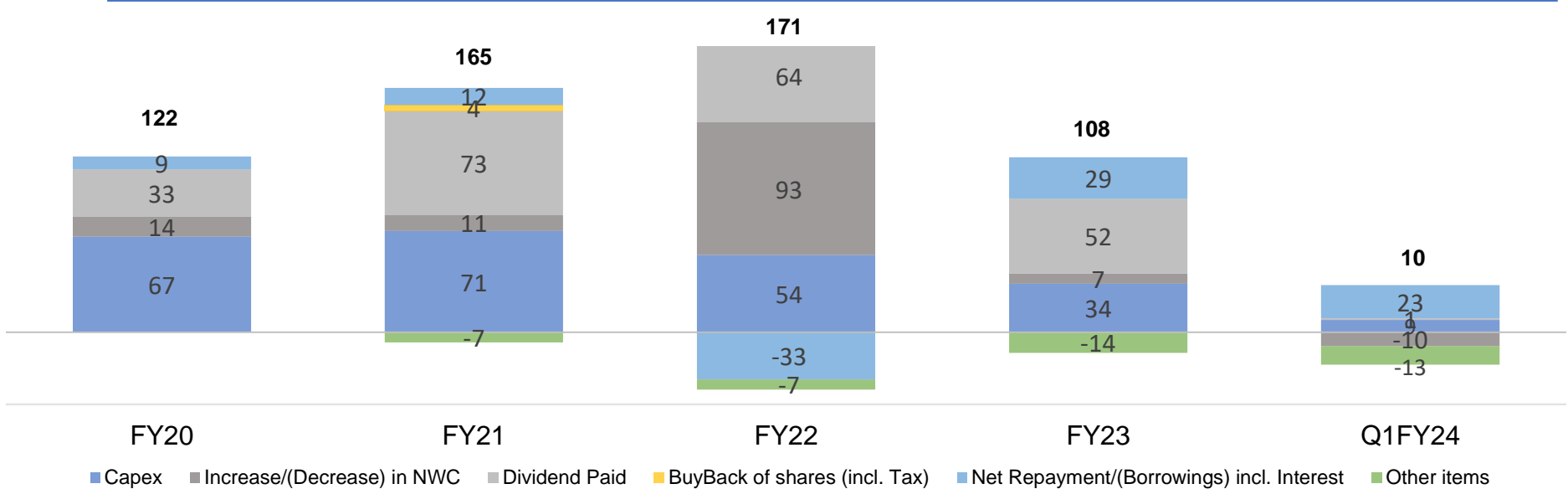
Revenue (USD million)



Effective Tax Rate

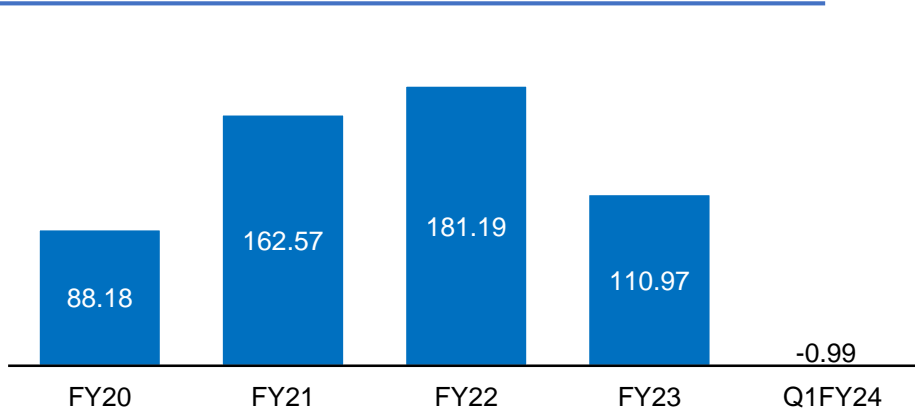


Free Cash Flow Deployment Trend (\$ mm)\*

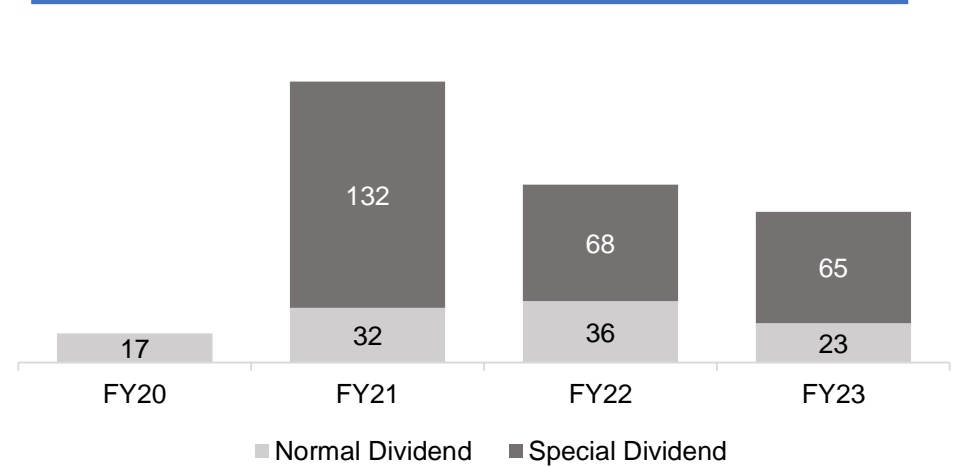


# 5 Sustained and Profitable Growth (3/3)

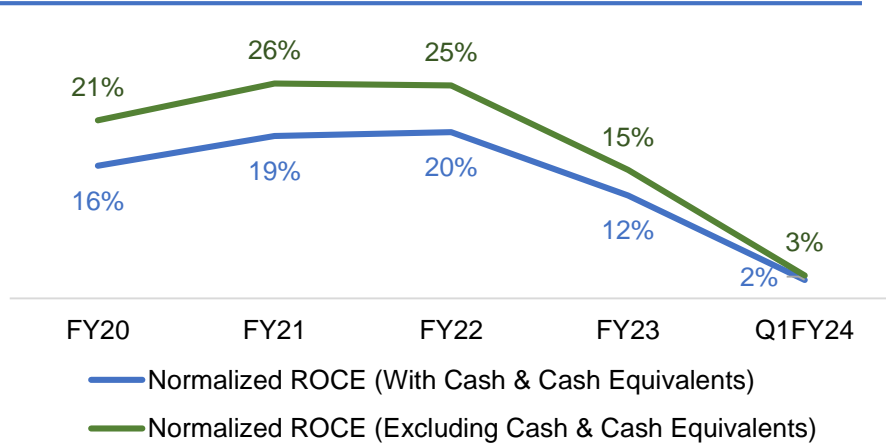
### EPS (INR/Share)



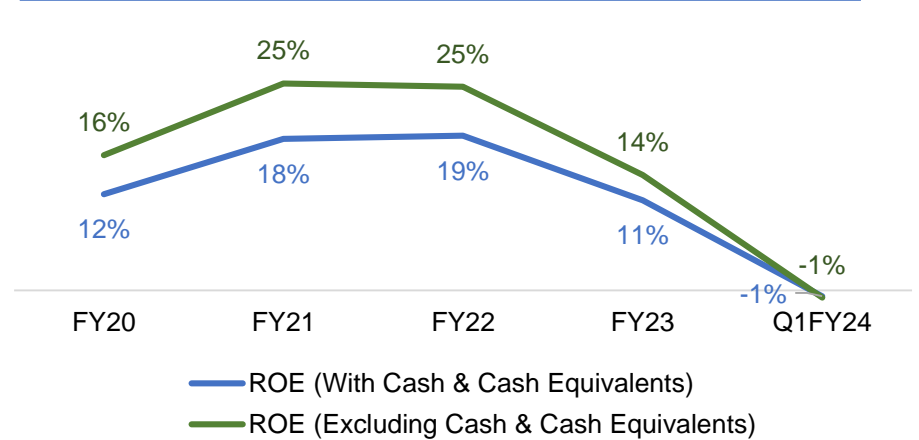
### Dividend Per Share (INR/Share)



### Normalized<sup>1</sup> ROCE



### ROE



<sup>1</sup>Normalized ROCE = Normalized EBIT [excluding impact of unrealized FX gains/(losses)] as % of Average Capital Employed

A



## Commitment Towards Sustainable Environment

- Strive to work on **sustainable products and processes**
- Continue to make multiple and substantial investments in recycling operations to provide **solutions** for post industrial as well as post-consumer plastic waste

B



## Meaningful Social Impact

- Focused on the **health and safety** of employees
- Makes **monetary contributions** to NGOs, hospitals and Government relief funds and helped support the infrastructure in hospitals
- Has undertaken **various initiatives** to help communities in areas adjoining its plants

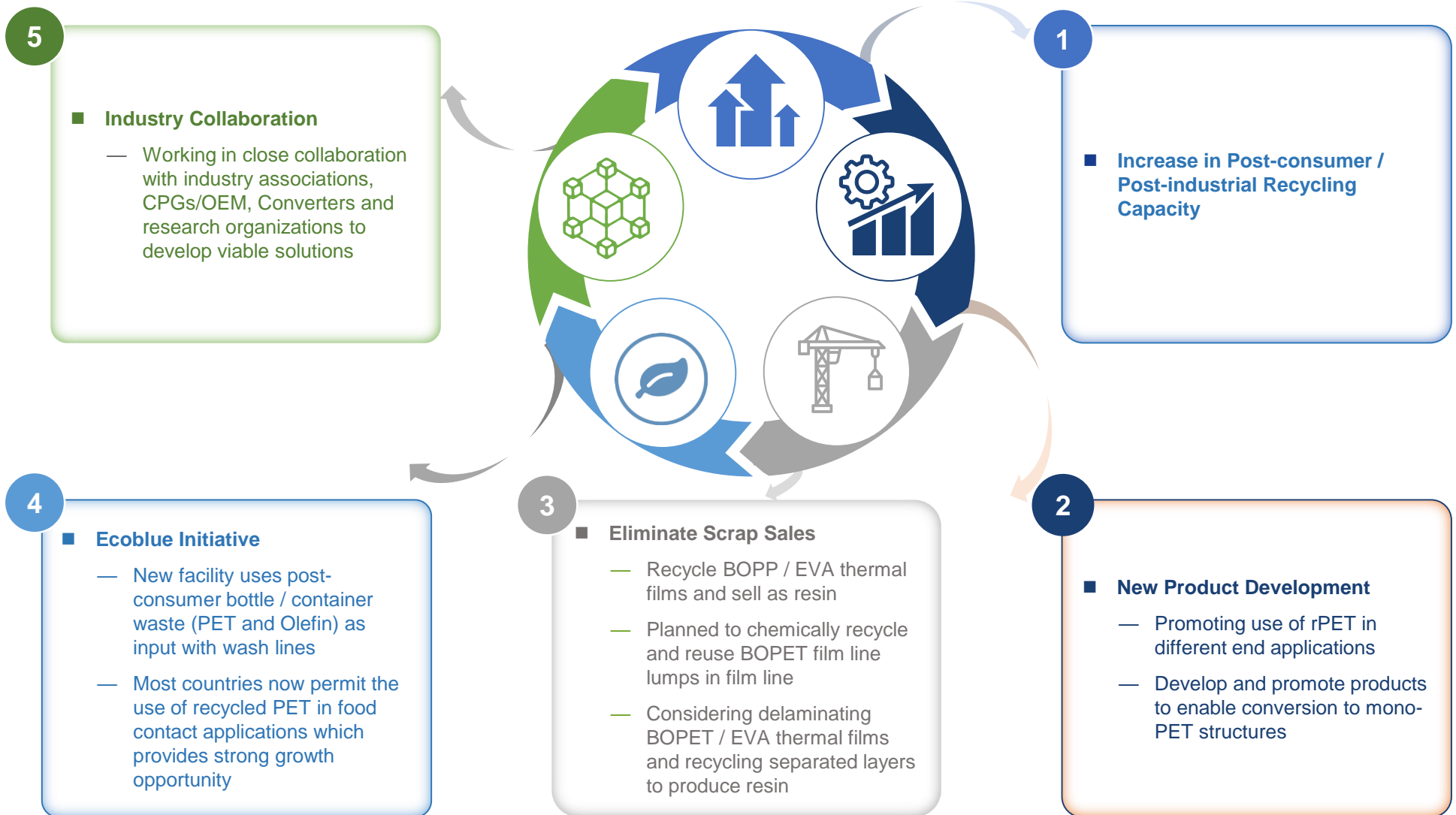
C



## Strong Governance And Accountability

- Promoting fundamental values of **honesty, integrity, and ethical conduct** among all stakeholders
- Ensuring **strict adherence to laws and regulations** across all jurisdictions where it functions
- Operates with a **strong governance and accountability framework**

# Continued Focus and Thrust on Sustainability



# Recent Initiatives Undertaken by Polyplex

Sustainable Products That Have Already Been Delivered

Polyplex has successfully executed several sustainability initiatives till date



Post-Consumer  
Recycled PET Film -  
30% - 100% PCR



Mono PET structures



Foil Replacement  
(High Barrier  
Metallized films)



Eco Friendly BOPET  
Film (Heavy Metal  
Free)



Transfer Metallized  
Films, Paper, Board  
(Plastic Free Cartons)



PVC Replacement  
(Formable, Dead  
Fold, Twist  
Properties)



Digital Printable –  
Solvent Free



PVDC Replacement  
(Transparent Barrier  
Chlorine Free)



Source Reduction –  
Down Gauging,  
Internal Recycling



Ecoblue is helping brands meet their sustainability goals

## About Ecoblue

- Starting operations in 2013, Ecoblue provides **sustainable solutions** for film-based process waste as well as post-consumer plastic waste for varied applications
- Only recycler in the region to develop **food grade products across different polymers** including rPET, rHDPE and rPP spanning several applications
- Has been working with **different post-consumer and industrial wastes** (both PET and Polyolefin based) over the years
- Focused on **developing and producing high quality recycled materials** which can replace virgin resin in high end applications such as Bottles, BOPET Film and Filament Yarn
- First in Thailand to **produce food grade rPET resin** for bottle application
- Recycling of Ocean-bound plastics
  - Working with Ocean-bound plastics marketplace platforms – Plastic Bank and Oceanworks
  - Ocean bound plastics certification – under progress



### Key Products

rPET resin  
rPP resin  
rHDPE resin



### Certifications

FDA approval & GRS  
certification for rPET, rPP, rPE



### Current Capacity

rPET – 32,000 TPA  
Polyolefin – 11,000 TPA  
Manufacturing in Thailand

## Global Partnerships



UPM Raflatac, a part of the Eur10 billion UPM group, is one of the world's leading producers of self-adhesive label materials.

*Ongoing partnership for recycling for Filmic Liner Waste*



Empowering the world to stop ocean plastic

Plastic Bank has pioneered in the concept of Social Plastic, where the individual waste collectors are rewarded by preventing marine litter in high risk zones. This has positive social impact along with the environmental *benefits*.

*EcoBlue's partnership with Plastic Bank extends to setting up the Waste Collection system in Thailand and processing it into high quality recycled materials*

# Promoting Sustainability Through Ecoblue

Engaged in Adopting Innovative Recycling Solutions



Ecoblue is a specialist in recycling a wide spectrum of materials

## Recycling Unrecyclable Materials



**Ecoblue Strap2Strap Solution**



**Metallized BOPET Film Recycling (Patented)**



**Ecoblue CircuLiner Solution**



**Ecoblue Laminate Solution**

## rPET for Virgin Replacement



**Bottles**

*US FDA approved*



**BOPET Film**

*US FDA approved*



**High Quality Fiber**

## Recycled Polyolefin for Virgin Replacement



**rHD for Bottles (under development)**



**rPP COPO with High Impact**



**rPP Clear HOPO Injection Molding & Filaments**

# Meaningful Social Impact

## Conscientious Approach to Contribute to the Community



### Safety & Security

- Ensures **safety and security of staff members**
  - A robust health monitoring mechanism has been in place including handling of emergency situations
  - Proactive communication and prevention has been the hallmark of these initiatives
- **Sustained employment** for all employees during COVID-19 pandemic, including payout of additional bonus to recognize the efforts and boost the morale of the employees
- **Monetary contributions** to NGOs, hospitals and Government relief funds across all its locations
  - **Donates** medical equipment, supplies and protective gear for healthcare workers
  - **Supports** various NGOs by **providing necessary food supplies** to the communities around Polyplex's locations
  - Provides **infrastructure facilities** to Government hospitals at the plant locations in India



### Job Creation

- Committed to **hiring and promoting local talent** in each of the geographies
- **Equal opportunity employer** across geographies



### Education and Culture

- Has been **running a school** at its Khatima plant for the past three decades
  - The school provides over 1,750 students with best-in-class educational facilities
  - Under a PPP model at Bazpur and Khatima, Polyplex has adopted two local schools and provides them with the necessary infrastructure
- Contributes to the **Rekhta Foundation**, which is a non-profit organization established to promote and disseminate literature and culture
- Offers a **slew of sports and educational sponsorships** as well as full scholarships to the school-going children of deceased employees
- Regular **contributions to various other schools/educational institutes** in order to promote education and help contributing to a better society





# Focus on SCORE

Core Values Binding the Employees

## TOGETHER WE

# SCORE

Seamlessness  
Care  
Ownership & Responsibility  
Excellence

### Seamlessness

- We leverage synergies across hierarchies, functions and locations

### Care

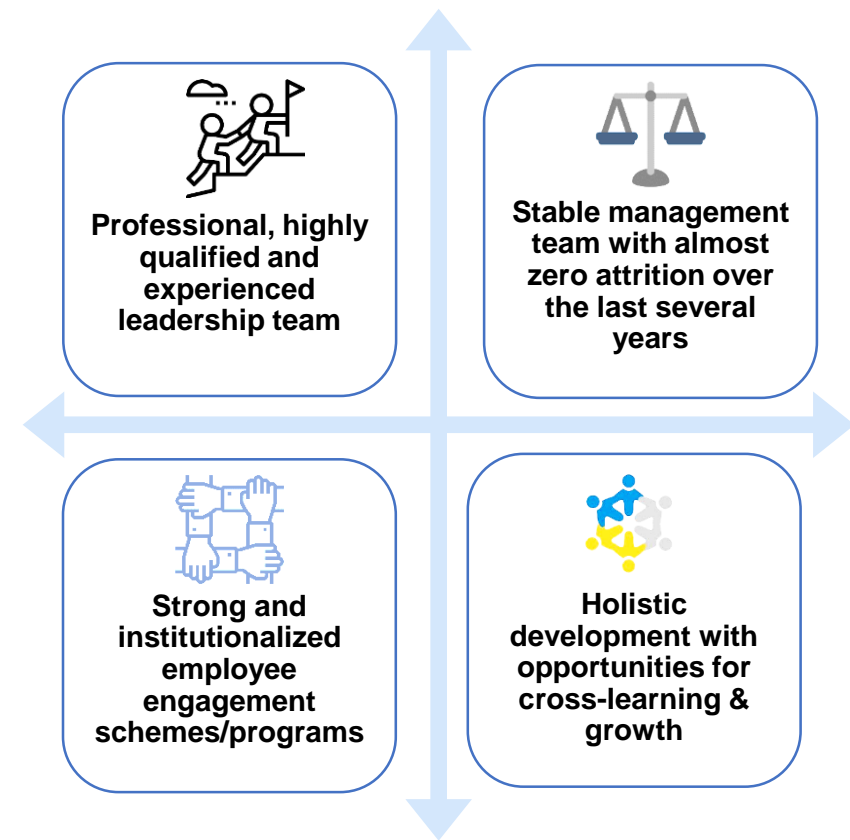
- We value our people and are committed to their development
- We are sensitive to and respect diversity
- We take a long-term approach to all our relationships

### Ownership and Responsibility

- We display ownership and feel responsible for the organization's performance
- We trust in the capabilities of our people and believe in delegation while adopting a hands-on approach

### Excellence

- We exhibit a passion to excel and strive to continuously improve the way we work
- We constantly pursue newer and better ideas, processes, products and practices



# Creating Impact Through Strong Governance

Continuously Strives to Follow Best Practices



- ✓ Committed to **promoting fundamental values of honesty, integrity, and ethical conduct** among all stakeholders



- ✓ **Strong compliance orientation**

- Adheres to all applicable laws, regulations and guidelines across all jurisdictions
- Undertakes a wide variety of steps to keep employees informed about current and proposed laws, regulations, and guidelines



- ✓ **Strong governance and accountability framework**

- Accomplished and experienced **Board of Directors in India and Thailand**
- Board of Directors have **constituted various committees in India**
  - Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee



- ✓ **Unwavering commitment towards occupational health and safety performance**

- Best practices relating to the health and safety standards by continuously improving working conditions, minimizing workplace hazards and raising awareness through involvement, participation and continuous training of the shop floor workforce
  - Focus is on ensuring that the health and safety standards are adhered to as per the local legislations and standards
  - The approach is reflected in the Environmental, Health and Safety (EHS) policy that emphasizes continuous improvement
- All the manufacturing facilities are certified on occupational health and safety management system

# Recipient of Prestigious Awards and Accolades Globally

Polyplex has been a recipient of some of the most prestigious awards in the industry, demonstrating its commitment towards becoming a global leader in the industry



**Best Public Company  
of 2020 – Industrial  
Group at Money &  
Banking Awards**



**Green Innovation  
Award 2021 at ACES**



**Prime Minister's  
Award for Innovation  
2021 – Chemical  
Recycling in Thailand**



**Best Public Company  
of 2021 – Industrial  
Group at Money &  
Banking Awards**

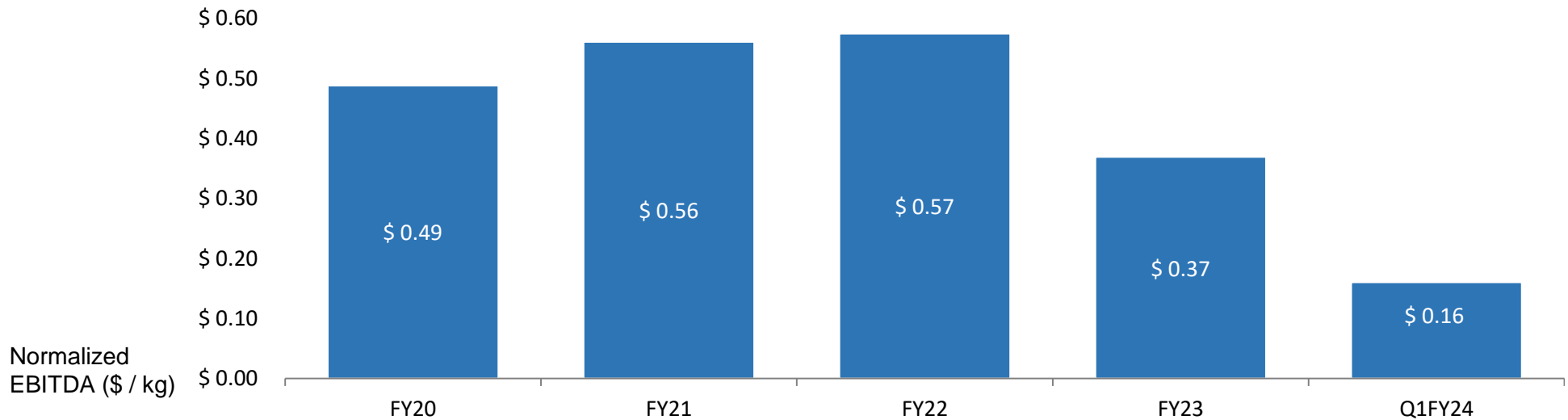
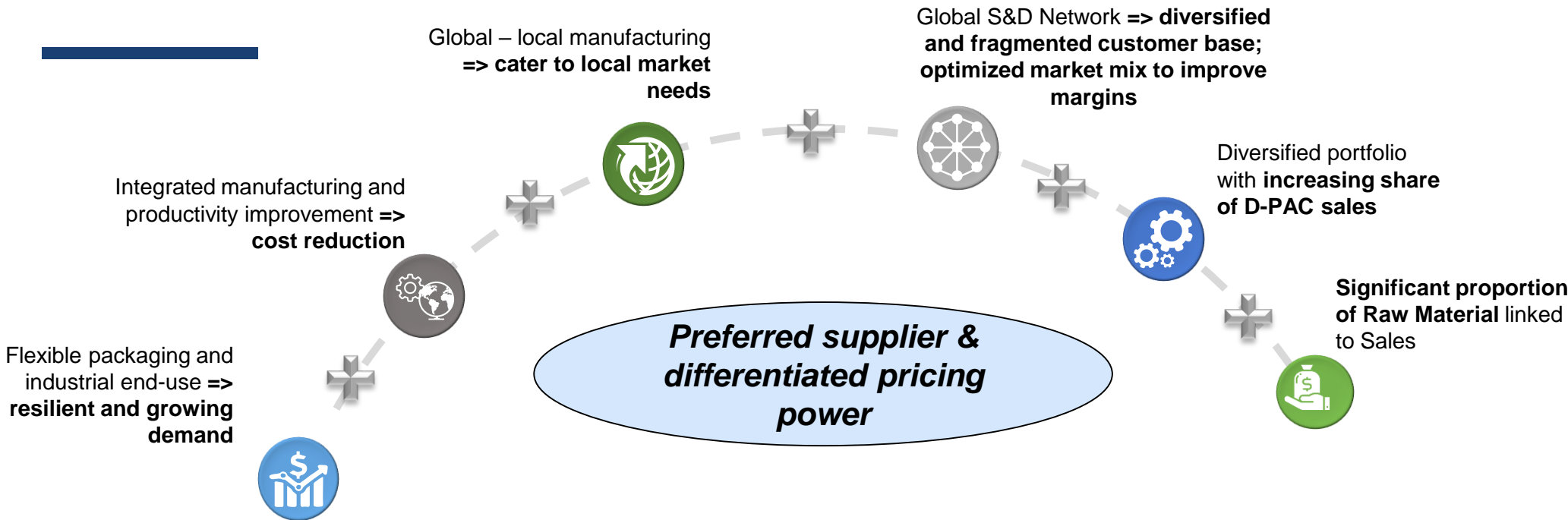


**Prime Minister's  
Industry Award 2022  
for Quality  
Management**



# Stability in Earnings

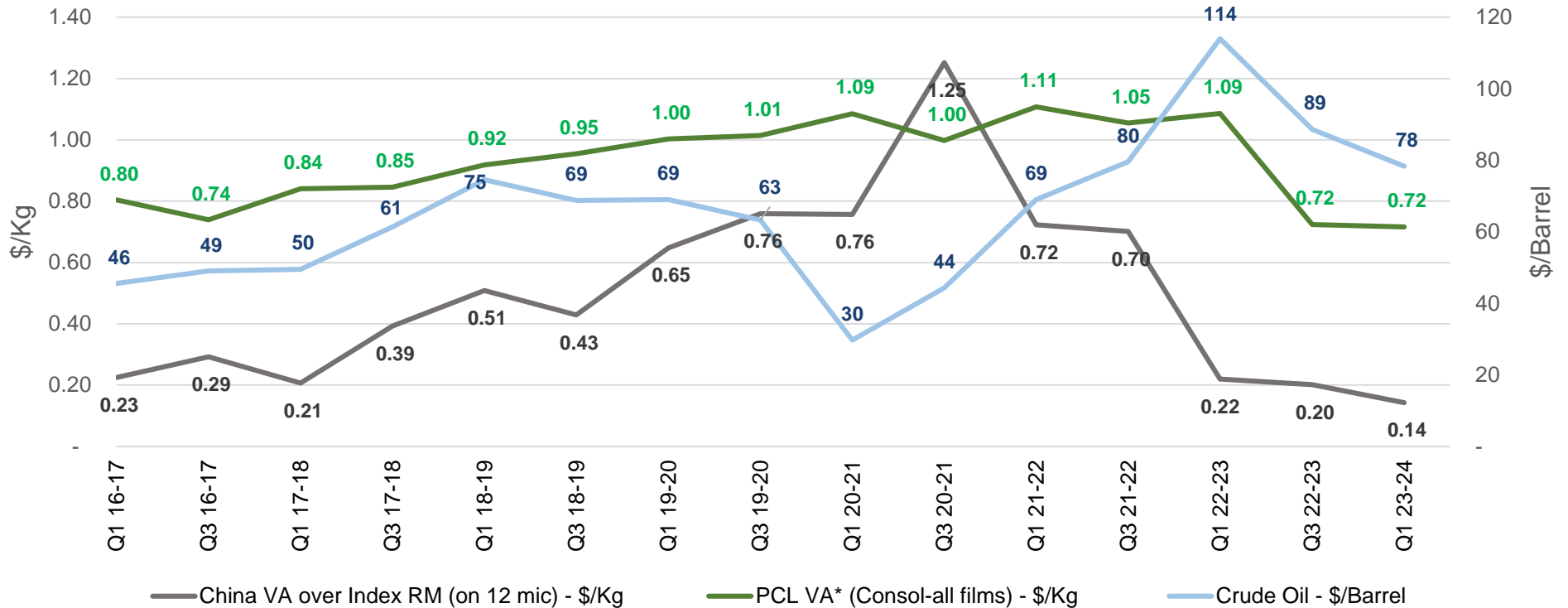
# Key Attributes of the Business Model Creates a Natural Hedge Against Industry Volatility



# Polyplex Has Consistently Generated Superior and Stable Gross Margins Relative to the Industry

## VA Stability

Polyplex's strength as a diversified and specialty - focused business enables it to achieve steadier gross margins



- Raw Material (PTA/MEG melt cost) tracks crude oil
- Raw material movements tend to be 'pass through' in film prices
- Value Addition (VA/material margin) is dependent on industry CUF

- The gap between Polyplex and Chinese players' gross margin increases significantly during the trough of industry cycle
- Chinese players achieved a higher margin for a short period in second half of 2021 owing to supply constraints resulting from logistic disruption / energy crisis



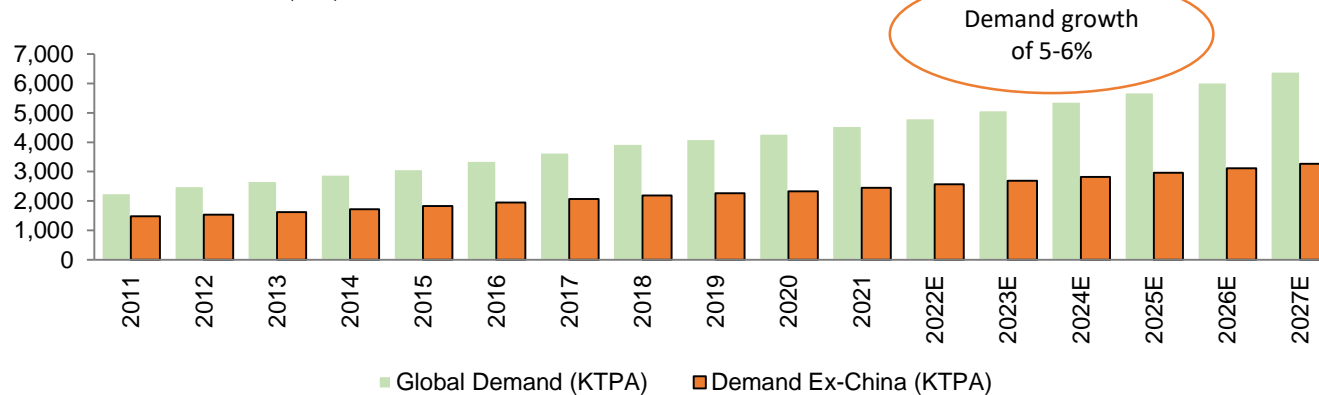
# Industry Outlook

# Thin BOPET Demand

Thin BOPET Film Demand Expected to Stay Resilient and Accounts for 80% of Global BOPET Film Demand

Thin BOPET Films Expected to Be the Fastest Growing Segment in the Global BOPET Films Market

Global Thin BOPET Film Demand (KMT)



## Key Trends - Demand



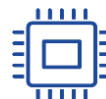
Global thin film growth expected to remain at **5-6%**. Due to recessionary pressures across the globe, there may be some short term impact on demand for industrial segments and even some packaging end use



Ageing population, evolving retail formats and penetration of **e-commerce**, together with **focus on safety and hygiene** has led to rise in per capita packaging material consumption. There is a **continued shift from rigid to flexible packaging**, and from loose to **packaged products**



Growth drivers include **population growth, increasing urbanization, changing demographics, trend towards nuclear families and increase in purchasing power** in developing countries



Demand driven by **higher disposable income**. Technological developments are leading to accelerated demand in **electrical, electronics and other industrial applications**, along with **new applications like LiB for EVs**, which is expected to further increase demand

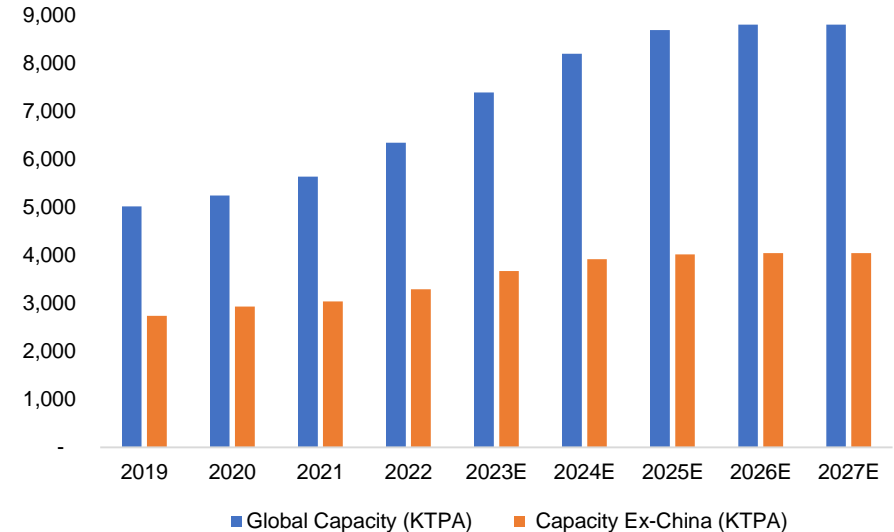


# Thin BOPET Industry Outlook

## Upcoming Capacity Additions

- **Majority of the new capacity is being installed in low-cost developing countries - China and India**, China accounting for ~70% and India ~12% of the total upcoming capacity
- Based on the latest information, **several of the recently announced lines (primarily in China) are expected to be in non-packaging segment** with focus on optical applications, release liners etc.
- **The impact of capacity additions may be significant in China with moderate influence in other regions**, as Chinese players have typically focused only on the domestic market and select SEA markets with standard products due to variety of reasons
- **Excluding impact of China, the capacity utilization (CUF) rates are steadier with lower variance in peaks and troughs**
- **Deferment / delay in new capacity additions and the expected closure / underutilization of older lines** due to changing cost dynamics are expected to positively impact the outlook on utilization rates
- **Incremental demand over the next 4 years would exceed the new capacity** added for most of the key demand centers excluding China
- **Trend towards Deglobalization, Protectionism and preference for local and regional supplies**

## Expected Capacity Additions - Thin PET Film



Capacity CAGR (Global) – 7.28%  
Capacity CAGR (Ex-China) – 4.98%

## Polyplex Strengths

- **Players with global footprint can better withstand the regional imbalances and industry volatility**
- **With its global manufacturing presence in key demand centers, Polyplex can cater to all geographies, thereby maintaining ~100% CUF levels and superior margin profile over the years**
- **Focus on speciality and high value added products thus making earnings more predictable**
- **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**
- **Recent and ongoing capex on various line upgrades to enable optimal utilization of assets**



# Growth Capex

# Investment Under Implementation

## Key Investment Rationale

**Base Film Capacity Expansion (i.e., Second BOPET Film and Debottlenecking Resin plant) in USA**

**Investment in Offline Coater in USA**

**Total Capex: \$128 mm**

### ■ New investment rationale:

- High level of confidence owing to established sales and distribution network
- Market growth of 10-12 KT p.a.
- Availability of captive resin
- Successful strategy deployed at all locations – 2 film lines, resin plant and downstream assets

■ Expected Start-up – Q2 FY 2024-25

■ Post this investment, Polyplex will be the most cost competitive producer of Thin BOPET films in the US

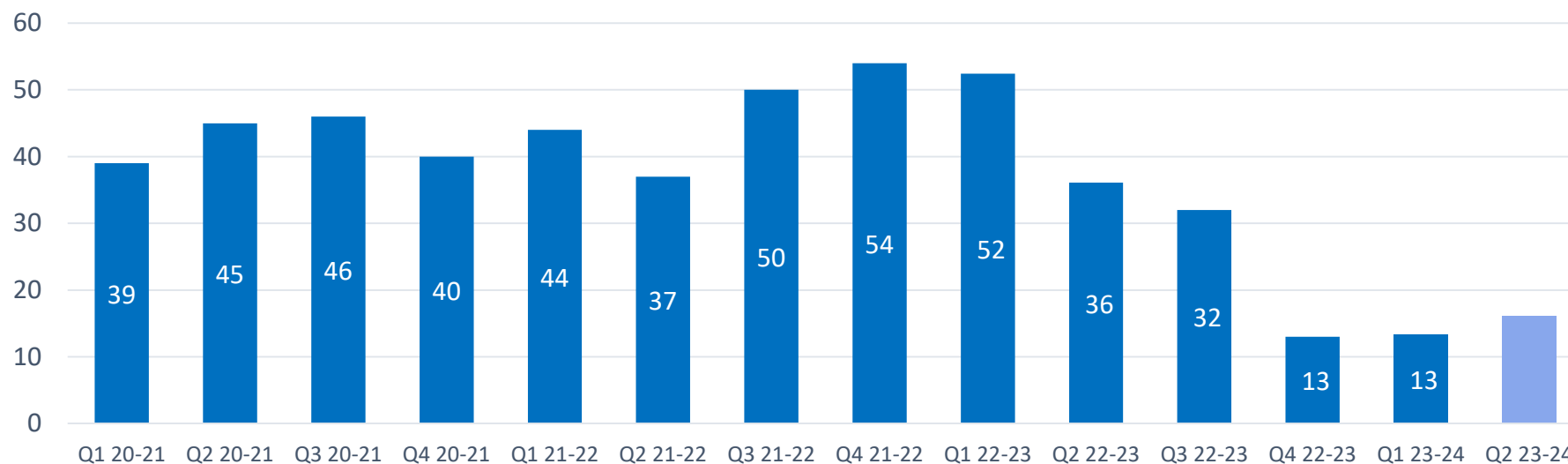




# Guidance

# Second Quarter 23-24 Guidance

## Normalised EBITDA (USD million)



### Key Factors impacting Q1 performance

- Volume impacted due to technical issues, trials and market conditions for BOPP/ CPP
- Oversupply situation due to addition of many new lines in China and India
- In addition to above, there is reduction in demand as food inflation, high interest rates and anticipated deterioration in macroeconomic conditions leading to much lower margins for standard films
- However, improving specialty mix and downstream operations have helped offset some of the impact

### Short to Medium term outlook

- Slow recovery in demand is expected in both Industrial and Packaging segments
- Reduction in cost – primarily utility in Europe and normalization of freight
- Anticipated weaker global GDP growth along with the supply overhang is expected to continue for some time
- Continued efforts on portfolio expansion, increase in DPAC sales will help support improvement in margins

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.

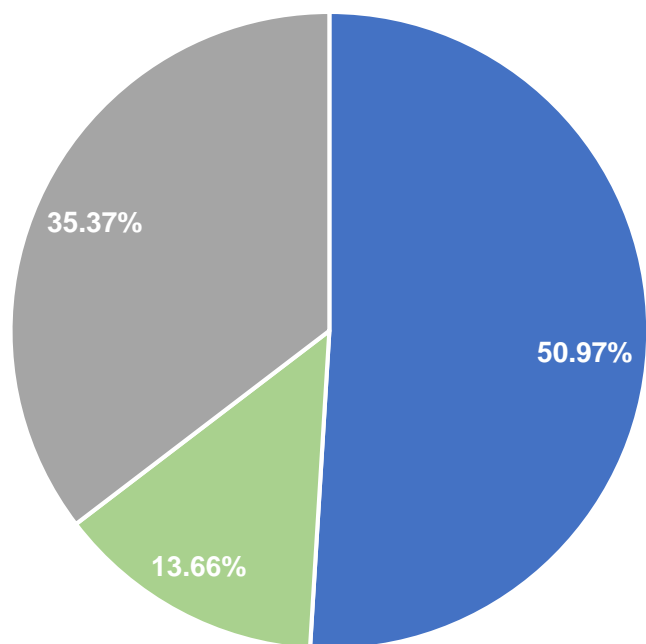


# Annexures

# Shareholder Pattern

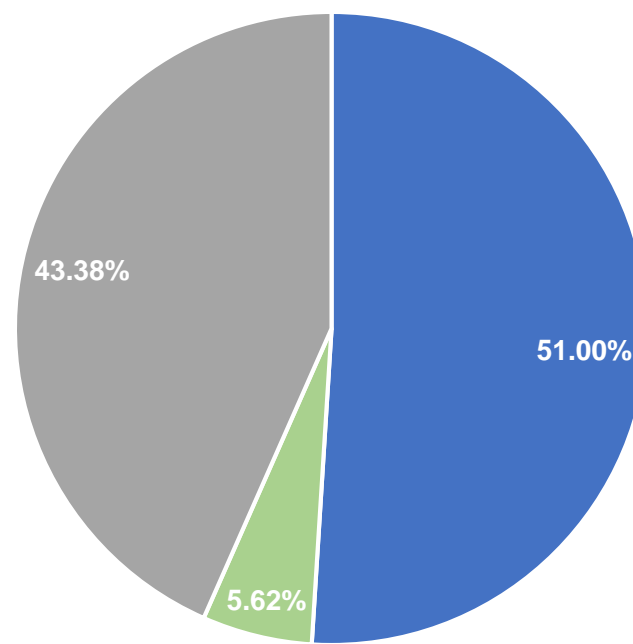
- Polyplex Corporation Limited (PCL) is the Group Holding Company
- PCL's economic interest in the overseas businesses is 51%
- PCL listed on BSE/NSE in India and the Thai subsidiary (PTL) on the Stock Exchange of Thailand (SET)
- Shareholding of the Company (as on 30th June'23) is as below:

### PCL Shareholding



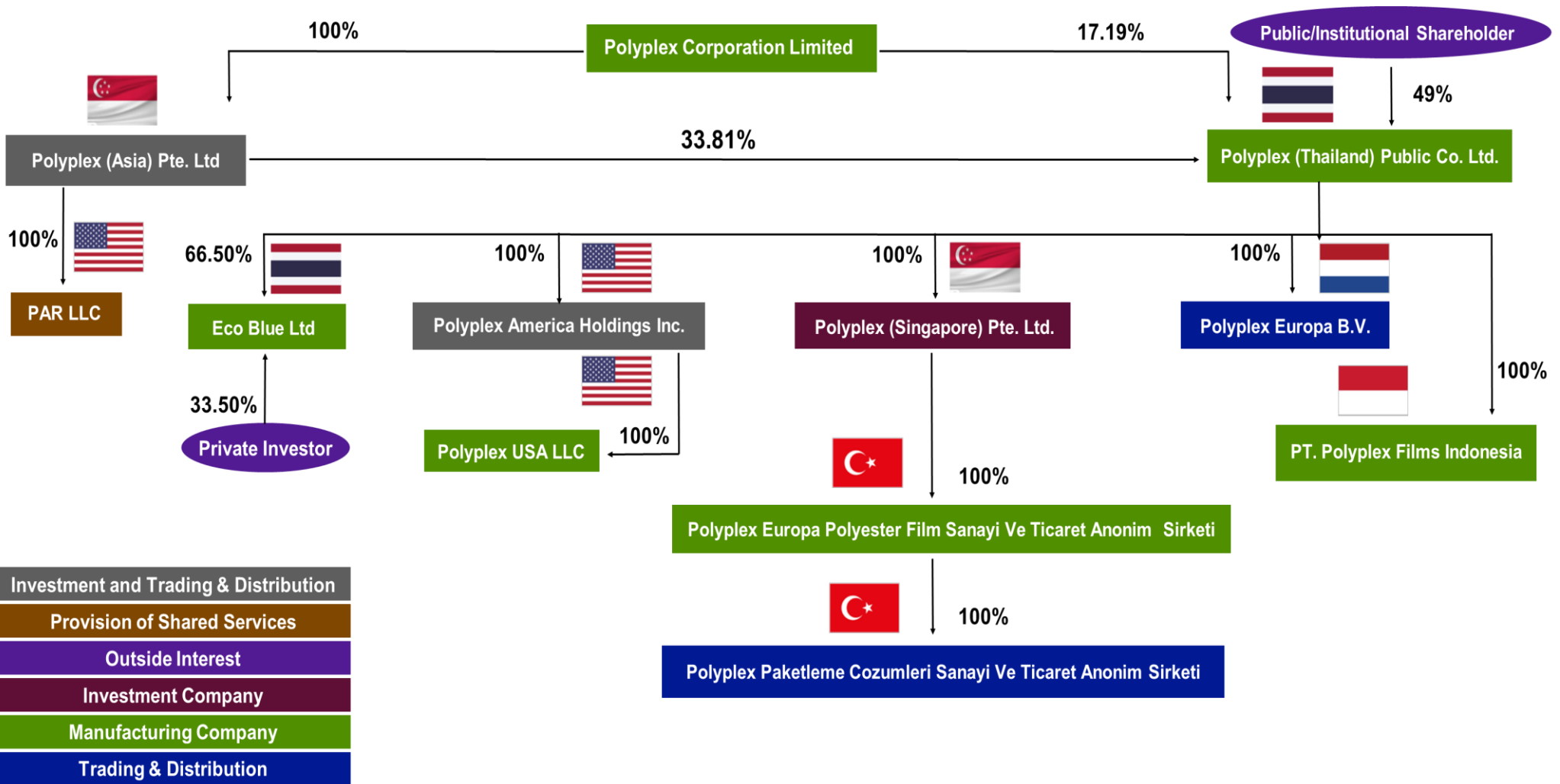
■ Promotor ■ Institutions ■ Non-Institutions

### PTL Shareholding



■ Promotor ■ Institutions ■ Non-Institutions

# Group Structure





# Disclaimer

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- 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.
- Financial information provided in US Dollars have been illustratively translated from reported financial information in Indian Rupees to US Dollars using simple average of monthly exchange rates for the respective applicable period(s) for the P&L related items and respective period ending exchange rate(s) for the Balance Sheet related items.
- Growth rates have been calculated based on reported INR financial information.

# Glossary

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- EBITDA: Reported Earning before interest, tax, depreciation and amortisation
- Normalized EBITDA: EBITDA excluding impact of unrealized FX gains/(losses) on long term loans
- Revenue: Reported sales excluding other operating revenues
- Net debt: Long-term debt + short term debt + current maturities of long-term debt – cash & cash equivalents
- Cash & Cash Equivalent: Cash & bank balance + other bank balances + fixed deposits with bank + other investments in bonds and liquid funds
- RoW: Rest of the World
- PET: Polyethylene Terephthalate
- BOPP: Biaxially Oriented Polypropylene
- CPP: Cast Polypropylene
- TMP: Transfer Metallized Paper
- TRI: Total Return Index
- VA: Value Addition
- MEG: Mono Ethylene Glycol
- PTA: Purified Terephthalic Acid
- RM: Raw Material

# Thank You

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**Fax:+91.120.2443723 & 24**



BSE (scrip code) : 524051  
NSE (symbol) : POLYPLEX  
ISIN : INE633B01018

Polyplex India



Symbol : PTL

Polyplex Thailand