



Deep Polymers Limited.

Additive Filler Compoundings

CIN : L25209GJ2005PLC046757



Date: February 24, 2022

To,
The General Manager
BSE Limited
Department of Corporate Services
P.J. Towers, Dalal Street
Mumbai – 400 001

Scrip Code: 541778 Scrip Symbol: DEEP

Dear Sir/Madam,

Subject: Third Quarter Investors Presentation for Financial year 2021-2022.

Pursuant to Regulation 30 and 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we enclose herewith a Copy of the investor presentation regarding third quarter for Financial year 2021-2022.

The same shall be uploaded on our website www.deeppolymer.in

We request you to kindly take the above information on record.

Thanking you,
For Deep Polymers Limited


Rameshbhai Patel
Managing Director
DIN: 01718102



Place: Ahmadabad

Encl: As stated



DEEP
MASTERBATCHES

DEEP POLYMERS

INVESTORS PRESENTATION

BUSINESS OVERVIEW



Engaged in manufacturing and supplying a whole range of products like Masterbatches such as Antifab Fillers, Transparent Fillers, Color Fillers, White Masterbatches, Special Effect Masterbatches, Additive Masterbatches.

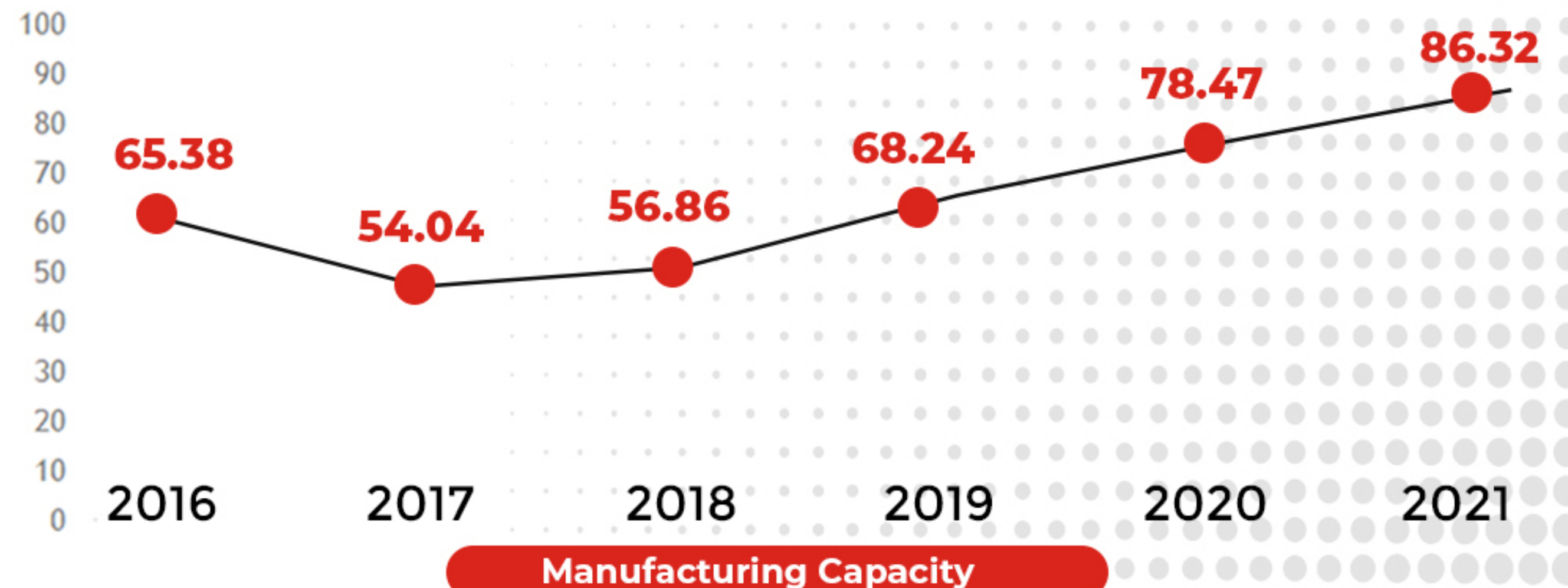
These polymers act as anti-fibrillating, anti-blocks, anti-slip agents

ISO 9001: 2015 certified company.

Our products, which include white filler, natural filler, super brightener filler, and others, are used in medical, automotive, and engineering products such as industrial machines, irrigation, and agriculture, as well as consumer durable products requiring high quality standards.

Our Company is promoted by Mr. Rameshbhai Patel having experience of more than 20 years who is the guiding force behind all the strategic decisions of our Company.

Being energy efficient, we are generating wind energy at our own manufacturing unit located at Kalol in Rakanpur while the Gujarat Energy Development Agency has permitted us to set up wind energy based power project of 1.250 MW.



OUR PHILOSOPHY



VISION

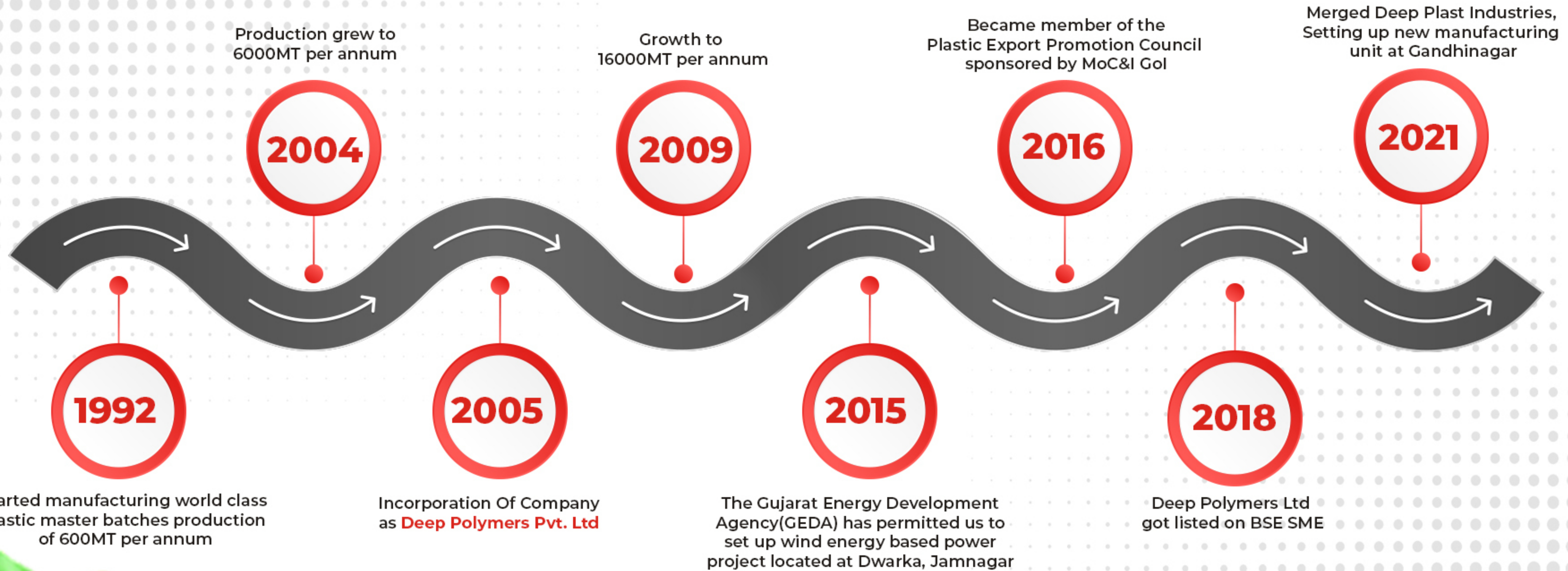
- Become a leading player in the industry.
- Improve competence through innovation and quality
- Developing of new and innovative products through foreword integration



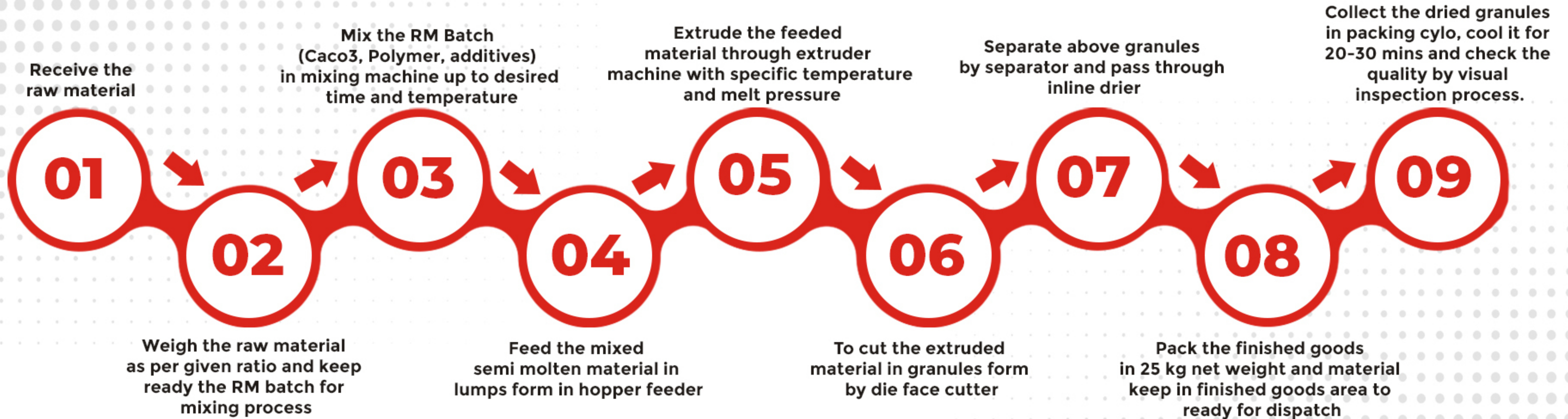
MISSION

- Commit resources and expertise to the services of the developing and manufacturing the best products
- Solve problems to realize new opportunities and achieve organizational growth by providing a challenging and rewarding work environment to employees

OUR JOURNEY



BUSINESS PROCESS



PRODUCTS - MASTERBATCH

- **WHITE MASTERBATCH:** TITANIUM DIOXIDE BASED MASTERBATCH WITH VARIOUS LOADING AND POLYOLEFIN'S POLYMER AS PER APPLICATION REQUIREMENT ALONG WITH EXCELLENT DISPERSION.
- **BLACK MASTERBATCH:** CARBON BLACK BASED MASTERBATCH WITH VARIOUS LOADING AND POLYOLEFIN'S POLYMER AS PER APPLICATION REQUIREMENT ALONG WITH EXCELLENT DISPERSION.
- **COLOR MASTERBATCH:** COMBINATION OF COLOURFUL PIGMENT & POLYOLEFIN'S BASED MASTERBATCH WITH VARIOUS LOADING AS PER APPLICATION REQUIREMENT ALONG WITH EXCELLENT DISPERSION & FASTNESS PROPERTIES AS PER REQUIREMENT.
- **UV MASTERBATCH:** IT IS PE/PP FILLED WITH COMBINATION OF 'ULTRA VOILET' STABILIZER. IT PROTECTS THE POLYMERS AGAINST UV-DEGRADATION.
- **ADDITIVES:** WE HAVE DIFFERENT TYPES OF ADDITIVES LIKE ANTIOXIDANTS, ANTIBLOCK AGENT, ANTISTATIC AGENT, ANTISLIP AGENT, BRIGHTENING AGENT



PRODUCT - FILLER

- **WHITE FILLER:** IMPROVE OPACITY, OUTPUT OF EXTRUDER SO THAT IT IS USED AS POWER & OPERATION COST SAVER AND ALSO ADVANCES WINDING OF TAPES ON CHEESE WINDER. IT ALSO IMPROVES WHITENESS BY USING MINIMUM WHITE MASTER BATCH, INCREASE OUTPUT BY IMPROVING BONDING AND THERMAL STABILITY, ADVANCE CONSISTENCY IN FLOW RATE
- **COLORED FILLER:** ACT AS ANTI-OXIDANT AND IMPROVE BRIGHTNESS, MECHANICAL AND PHYSICAL PROPERTIES, THERMAL STABILITY AND INCREASE CONSISTENCY IN FLOW RATE
- **NATURAL FILLER:** IT HAS TALC BASE FILLER IS SPECIALLY PRODUCED FOR PP/HDPE WOVEN FABRICS AND SNACKS, LDPE/LLDPE/PP LAMINATION& LINER. IT IMPROVE NATURAL CLARITY, CONSISTENCY IN FLOW RATE, OUTPUT BY IMPROVING BONDING AND STABILIZES COLOR CONCENTRATION WITH COLOR MASTERBATCHES



STRATEGIES

**Expanding our
clientele network
by geographic expansion**



**Focus on cordial relationship
with suppliers, customers,
clients and employees**

**Reduction of
operational costs and
achieving efficiency**



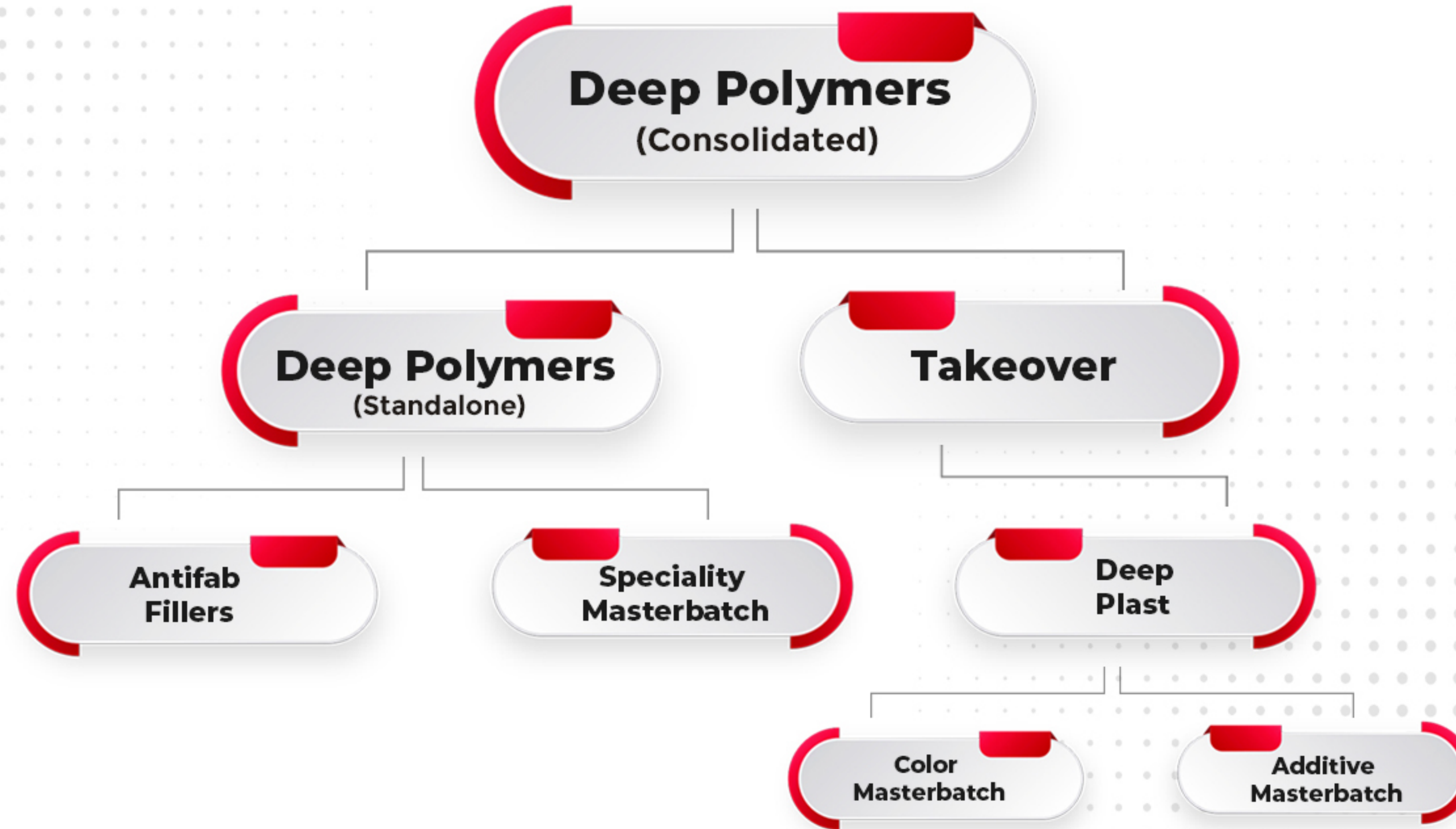
**Rationalize multiple costs
in long term and improve
combined marketing efforts**



FUTURE ACQUISITION



IN FY 2022, DEEP POLYMERS HAS ACQUIRED DEEP PLAST AND IS IN THE PROCESS OF CONSOLIDATING OTHER GROUP COMPANIES



DIVERSIFICATION INTO POY

- DIVERSIFICATION AND EXPANSION BY SETTING UP NEW MANUFACTURING PLANT AT GANDHINAGAR, GUJARAT
- THIS PLANT WILL MANUFACTURE MAINLY TWO PRODUCTS WHICH WILL BE ADDED TO THE EXISTING RANGE OF SPECIALITY CHEMICALS
- SPECIALITY BLACK MASTERBATCH USED IN DIFFERENT TYPE OF PET FIBER LIKE POY, FDY, STABLE FIBER, MANMADE FIBER, ETC.
- SPECIALITY COLOR MASTERBATCH USED FOR PES FILAMENT YARN, STABLE FIBER, TRILOBAL, SEMI DULL FIBER, ETC.
- THE CAPACITY OF THIS PLANT IS 310MT/MONTH.

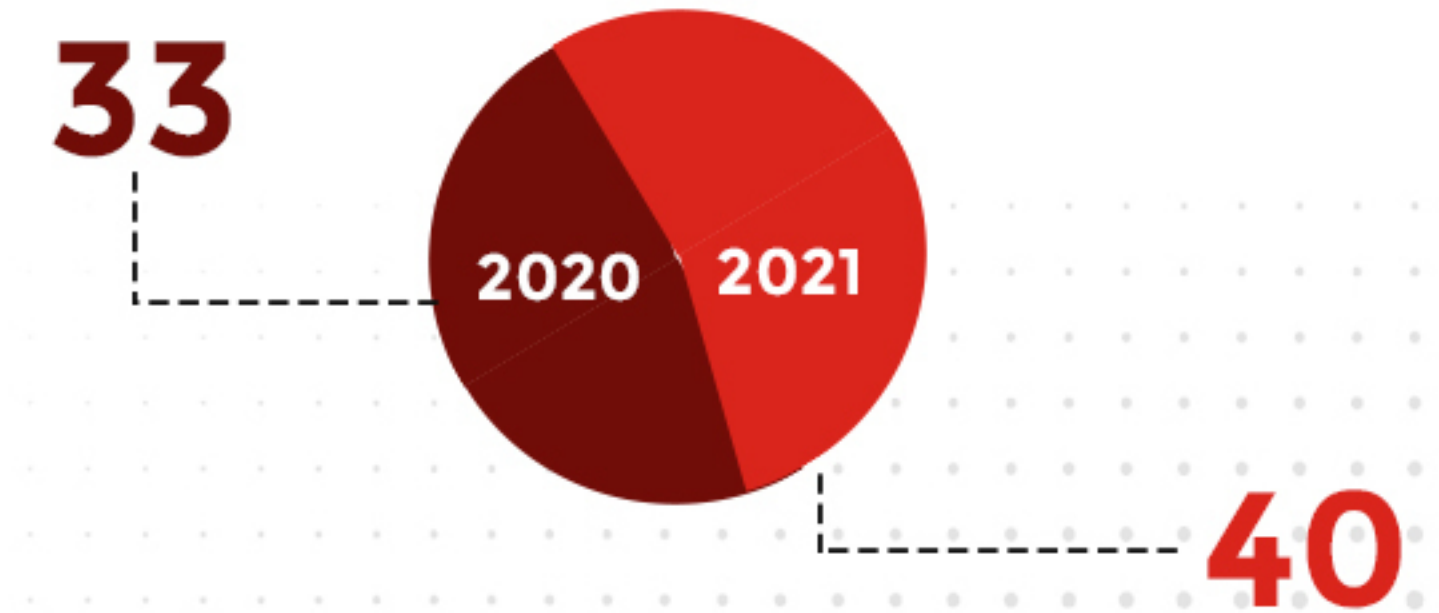


DEEP POLYMERS HAS DEMONSTRATED ROBUST SALES CONTINUITY AND PROFITABILITY DURING CHALLENGING COVID TIMES.

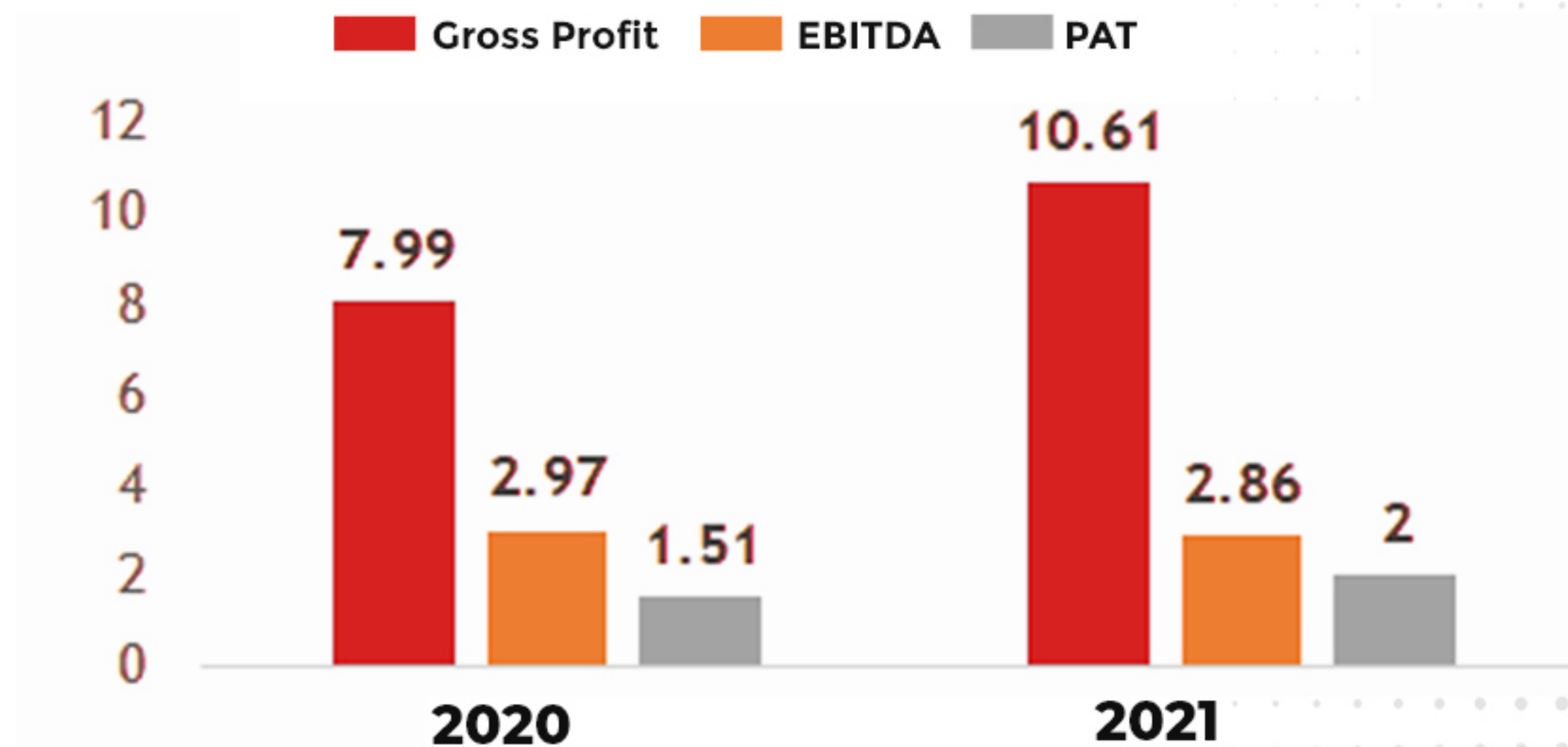


- DEEP POLYMERS RECORDED A SALES OF INR 33 CRORES AND 40 CRORES IN FY20 AND FY21.
- THE GROSS PROFIT MARGIN IMPROVED FROM ~23% TO ~26%.
- THE COMPANY REPORTED A PROFIT OF ~2 CRORE AMIDST COVID RELATED RECOVERY COSTS AND WRITE OFFS.
- THE COMPANY WAS ABLE TO DEMONSTRATE SALES GROWTH AS WELL AS REMAIN PROFITABLE DURING COVID 1ST AND 2ND PHASES. THE BUSINESS BOUNCED BACK SHARPLY, AND THE MANAGEMENT IS CONFIDENT TO GROW STANDALONE SALES AND PROFITS IN FY22.

DEEP POLYMER : REVENUE (IN RS CRORES)



DEEP POLYMER : GROSS PROFIT, EBITDA & PAT (IN RS CRORES)



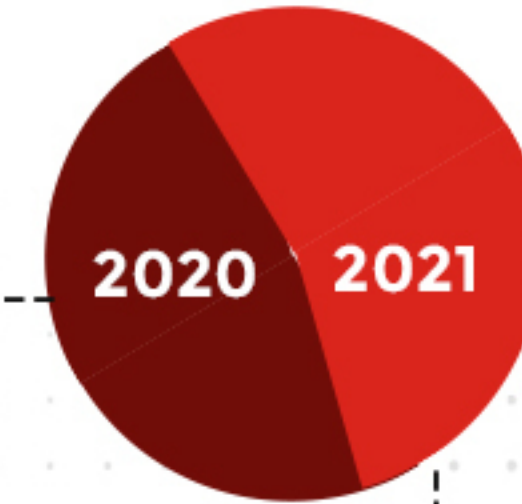
DEEP POLYMERS ANNOUNCED THE ACQUISITION OF DEEP PLAST IN AUGUST 2021 AT AN ACQUISITION COST OF ROUGHLY ~45-55 CRORES



- DEEP PLAST RECORDED A SALES OF INR 85 CRORES AND 89 CRORES IN FY20 AND FY21.
- THE GROSS PROFIT MARGIN STOOD AT ~17-18% FOR THE YEAR WITH EBITDA MARGINS AT ~8%.
- THE COMPANY REPORTED A PROFIT OF ~5CRORES AND ~6 CRORES IN FY20 AND FY21.
- THE COMPANY WAS ACQUIRED AT VALUATIONS AROUND ~0.6 TIMES PRICE TO SALES OR ~9-10 TIMES PRICE TO EARNINGS RATIO
- DEEP PLAST IS EXPECTED TO REPORT A SALES OF AROUND ~120 CRORES IN FY22 WITH REPORTED EBITDA ~14 CRORES.
- THE COMPANY GOT SHAREHOLDER APPROVAL TO ALLOT WARRANT FOR TOTAL CONSIDERATION AMOUNT ~14.57 CR. THE RAISED AMOUNT WILL BE USED TOWARDS BETTER WORKING CAPITAL MANAGEMENT WHICH WILL HELP IN IMPROVING PROFIT MARGINS.

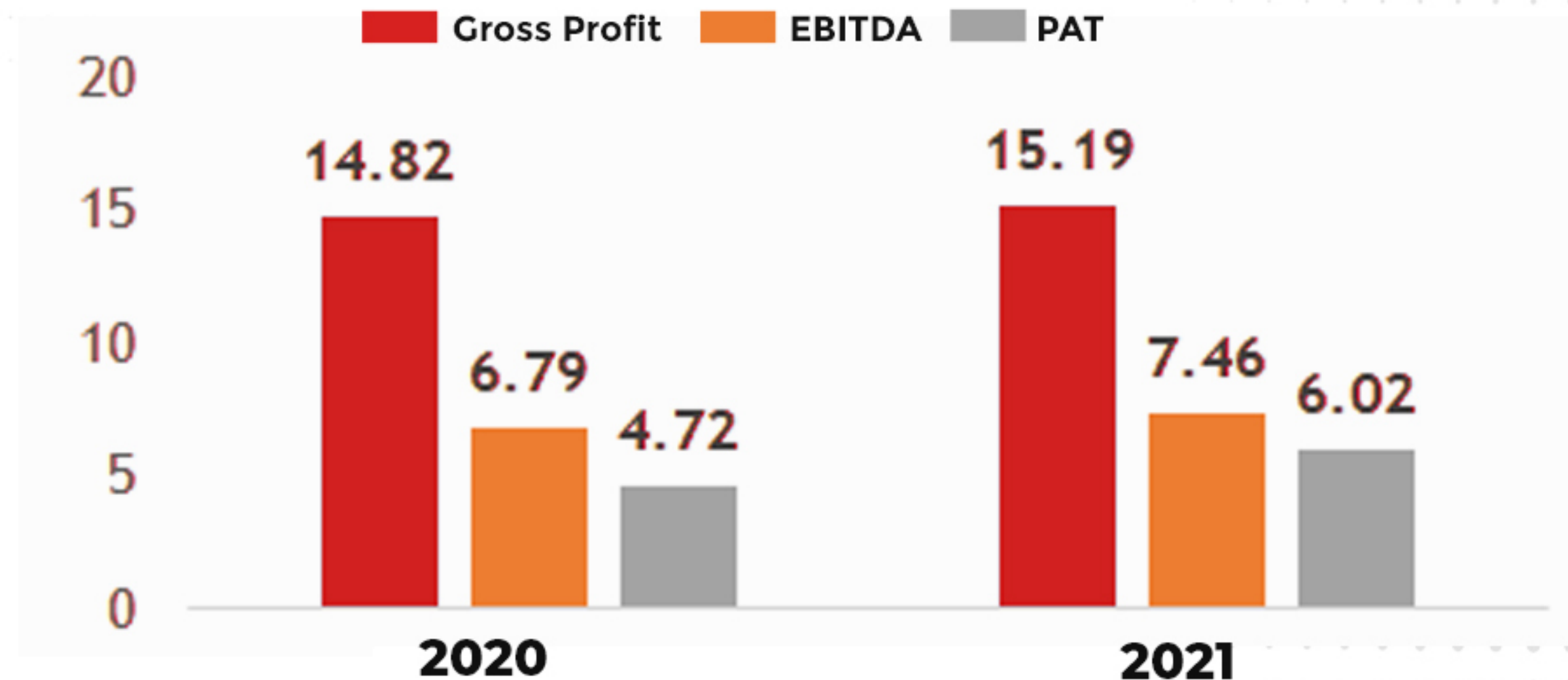
DEEP POLYMER : REVENUE (IN RS CRORES)

84.94



89.24

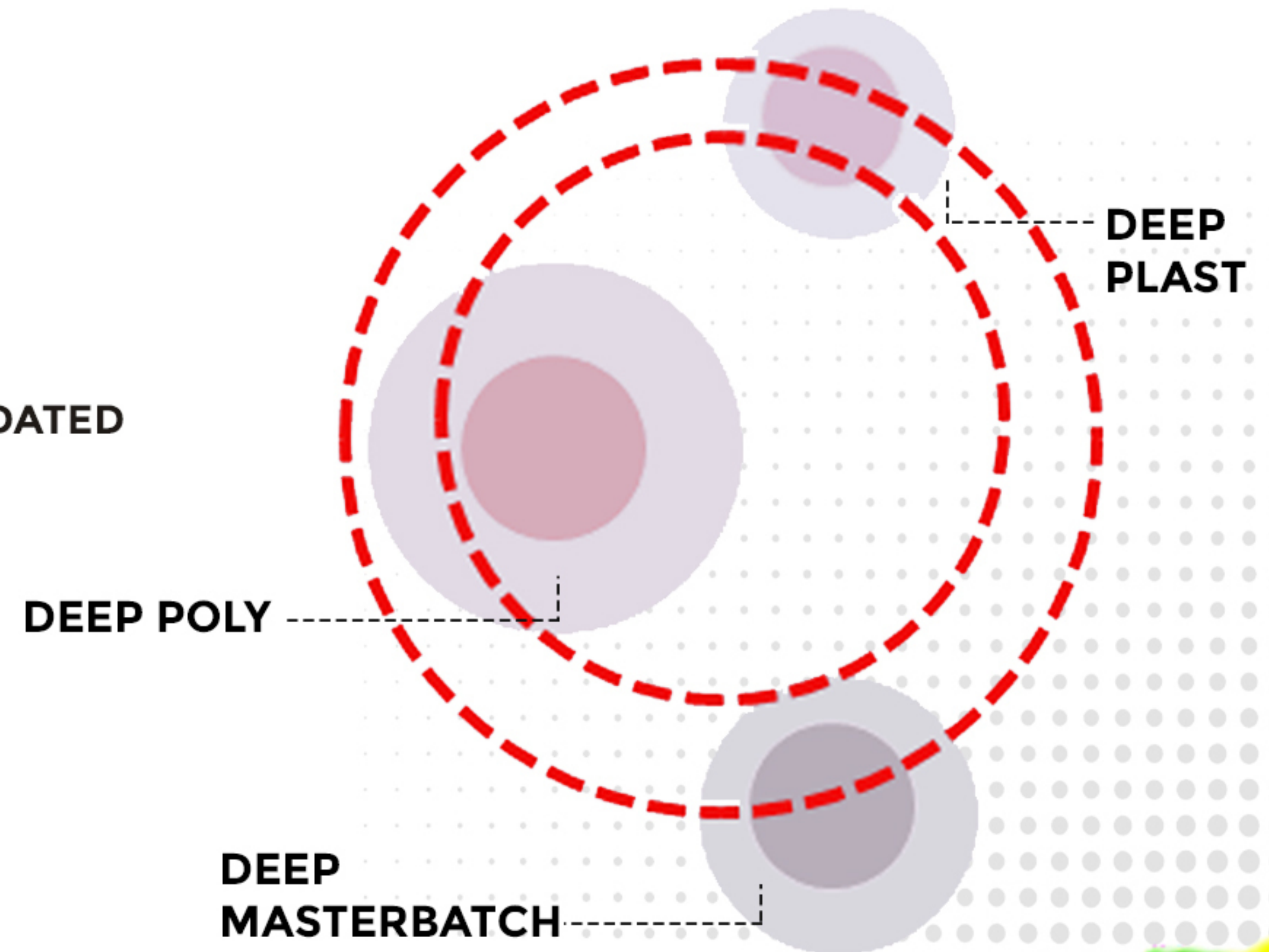
DEEP PLAST: GROSS PROFIT, EBITDA & PAT (IN RS CRORES)



THE MANAGEMENT HAS PLANNED SIMPLIFICATION OF GROUP STRUCTURE AND THEN INCREASE IN SALES FOR EACH UNIT IN COMING 3 YEARS.

DEEP POLYMERS CONSOLIDATED VOLUME SIZE

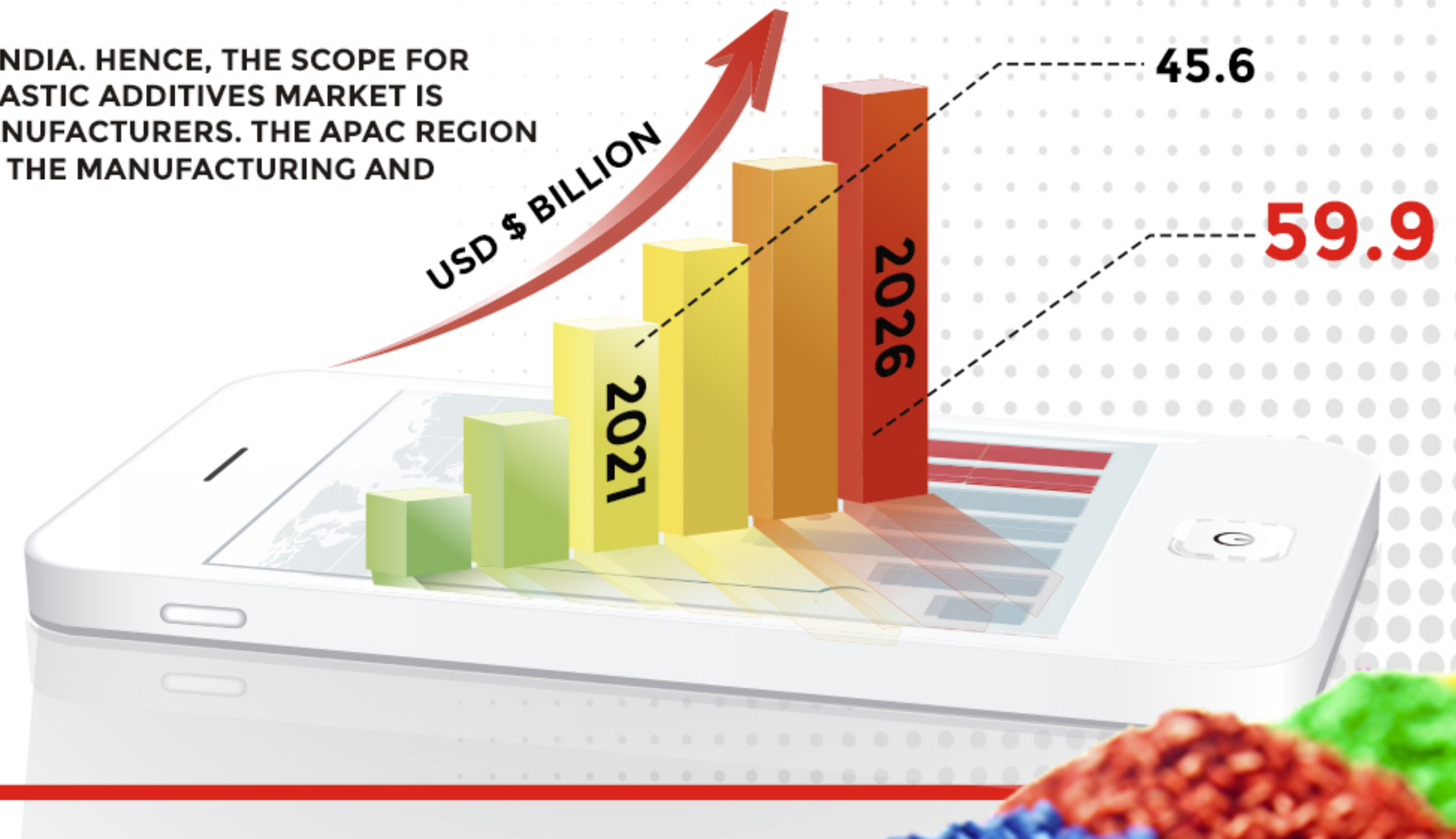
- THE INNER CIRCLE REPRESENTS VOLUME BASED (MT) FY 21 SALES OF THE RESPECTIVE COMPANY.
- THE OUTER CIRCLE REPRESENTS VOLUME BASED (MT) FY 25 SALES OF THE RESPECTIVE COMPANY.
- THE INNER DOTTED LINE REPRESENT THE CURRENT CONSOLIDATED VOLUME SIZE (MT) OF THE GROUP AND OUTER DOTTED CIRCLE REPRESENT THE CONSOLIDATED EXPECTED VOLUME (MT) SIZE OF DEEP POLYMERS



PRODUCT – FILLERS AND ADDITIVES – MARKET SIZE AND OPPORTUNITY SIZING- A 50 BILLION USD MARKET

- THE PLASTIC ADDITIVES MARKET SIZE IS ESTIMATED TO BE USD 45.6 BILLION IN 2021 AND IS PROJECTED TO REACH USD 59.9 BILLION BY 2026, AT A CAGR OF 5.6% BETWEEN 2021 AND 2026. GROWTH OF THE PLASTIC ADDITIVES MARKET IS PRIMARILY TRIGGERED BY RISING DEMAND FROM THE PACKAGING SECTOR.
- PLASTIC ADDITIVES HAVE A LARGE NUMBER OF APPLICATIONS SUCH AS PACKAGING, CONSTRUCTION, AUTOMOTIVE, CONSUMER GOODS, TEXTILE, AGRICULTURE, AND MEDICAL. GROWTH IN THE MARKET SIZE OF PLASTIC ADDITIVES IS EXPECTED TO BE MAJORLY DRIVEN BY A TURNAROUND IN THESE KEY MARKET SEGMENTS, AND THE INCREASING NEED FOR ADDITIVES IN POLYMERS FOR APPLICATIONS IN THESE SEGMENTS.
- THE MAJOR FACTOR THAT AID GROWTH OF THE PACKAGING INDUSTRY ARE RAPID URBANIZATION, CHANGING CONSUMER LIFESTYLE, ECONOMIC TRENDS, AND RISING HEALTH AWARENESS AMONG DIFFERENT CLASSES OF CONSUMERS AND DEVELOPMENT IN PACKAGING MATERIAL AND TECHNOLOGY.
- THE APAC COMPRISES MAJOR EMERGING NATIONS SUCH AS CHINA AND INDIA. HENCE, THE SCOPE FOR THE DEVELOPMENT OF MOST INDUSTRIES IS HIGH IN THIS REGION. THE PLASTIC ADDITIVES MARKET IS GROWING SIGNIFICANTLY AND OFFERS OPPORTUNITIES FOR VARIOUS MANUFACTURERS. THE APAC REGION CONSTITUTES APPROXIMATELY 61.0% OF THE WORLD'S POPULATION, AND THE MANUFACTURING AND PROCESSING SECTORS ARE GROWING RAPIDLY IN THE REGION..

**PLASTIC ADDITIVES EXPECTED MARKET
SIZE CAGR (5.6%)**

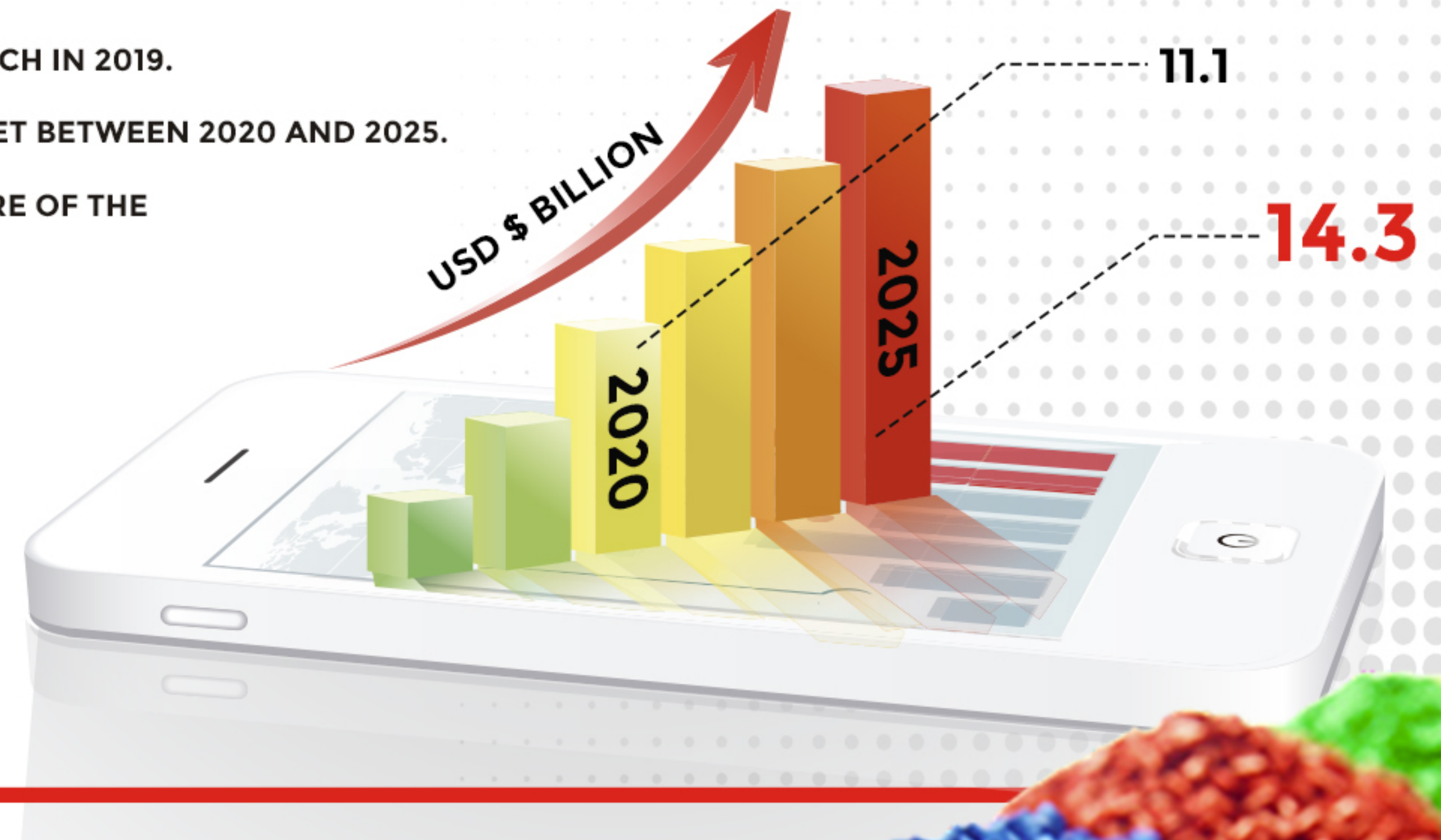


PRODUCT – MASTERBATCHES ARE 11-15 BILLION USD MARKET GLOBALLY

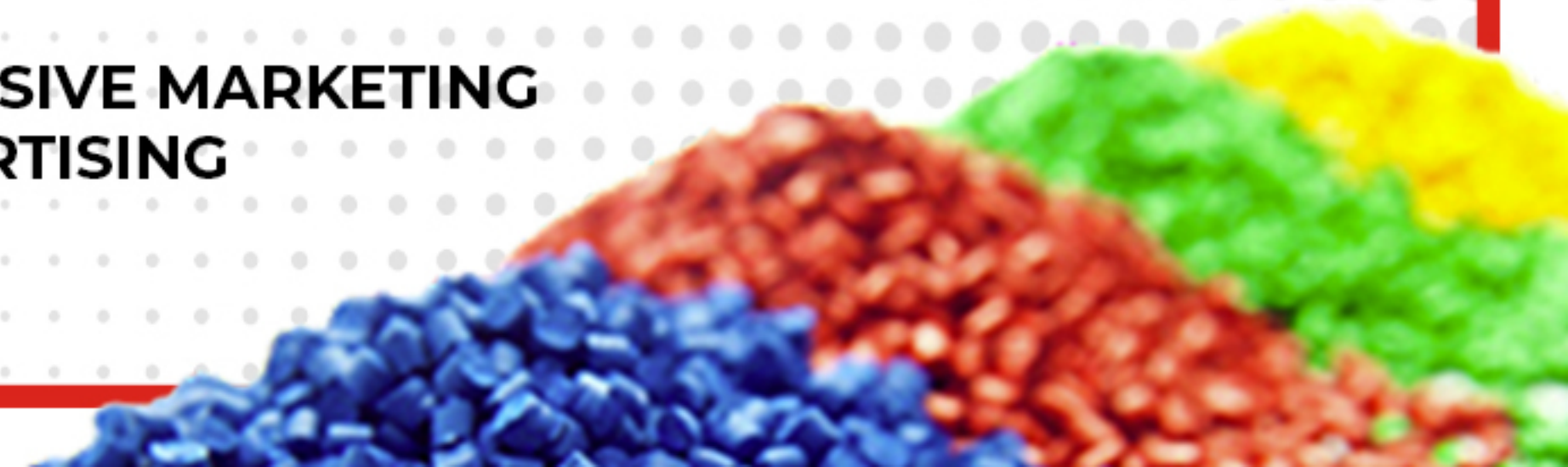
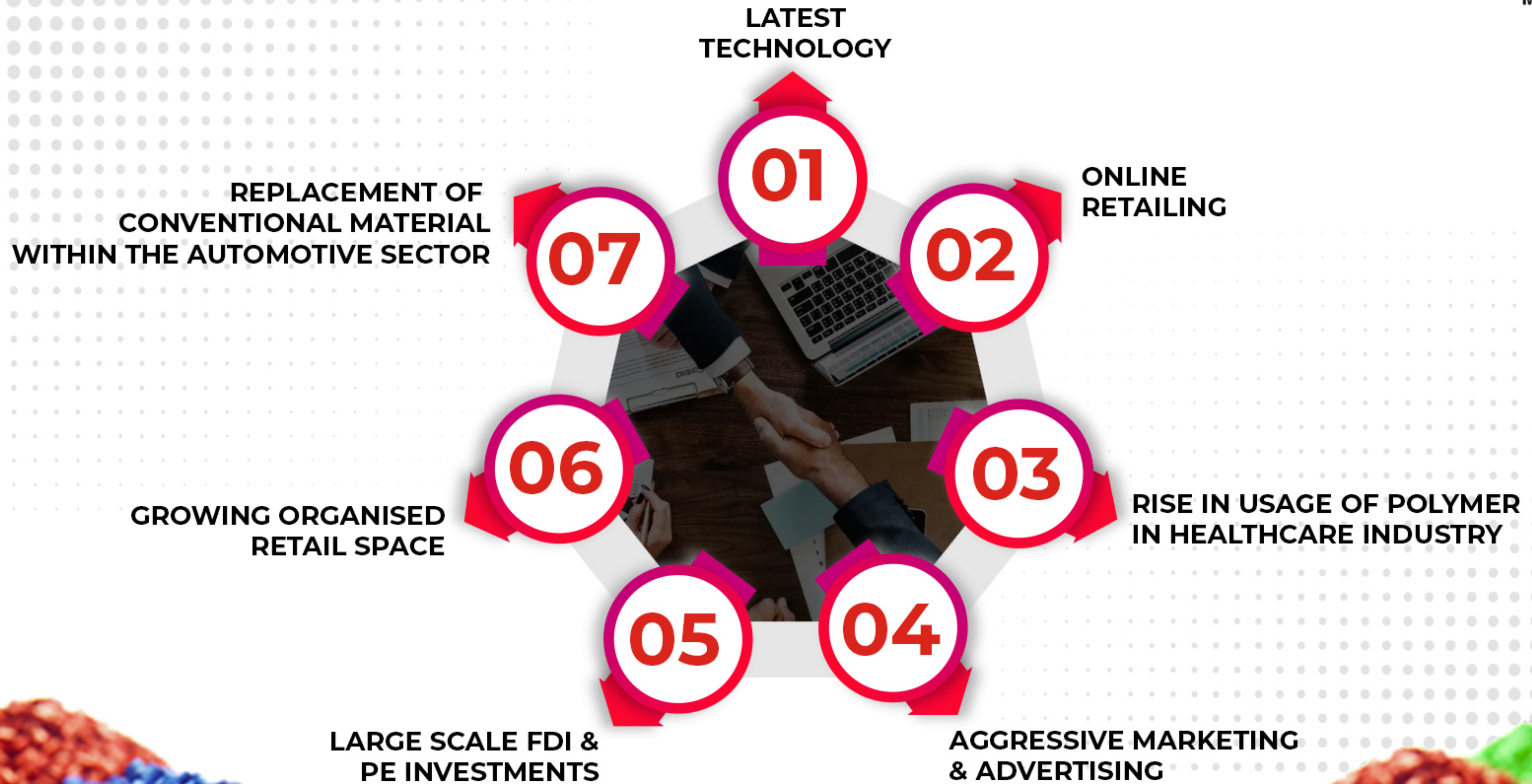


- THE MASTERBATCH MARKET SIZE IS ESTIMATED TO BE USD 11.1 BILLION IN 2020 AND IS PROJECTED TO REACH USD 14.3 BILLION BY 2025, AT A CAGR OF 5.1% BETWEEN 2020 AND 2025. THE REPLACEMENT OF METAL WITH PLASTIC IN ORDER TO MAKE THE VEHICLES LIGHT WITHIN THE AUTOMOTIVE INDUSTRY WILL DRIVE THE MASTERBATCH MARKET.
- APAC IS THE LARGEST CONSUMER OF MASTERBATCHES IN THE AUTOMOTIVE APPLICATION AND IS EXPECTED TO DOMINATE DURING THE FORECAST PERIOD . THE INCREASING AUTOMOBILE PRODUCTION FACILITIES AND OTHER DEVELOPMENTS IN THE REGION AND SHIFT OF EUROPEAN AUTOMOBILE MANUFACTURERS TO LOW-COST MARKETS OF ASIA ARE EXPECTED TO SUPPORT THE GROWTH OF THE MASTERBATCHES MARKET IN AUTOMOTIVE APPLICATION.
- GROWING DEMAND FOR BIODEGRADABLE MASTERBATCH.
- ADDITIVE MASTERBATCH IS THE SECOND LARGEST TYPE FOR MASTERBATCH IN 2019.
- PP IS ESTIMATED TO BE THE LARGEST POLYMER IN MASTERBATCH MARKET BETWEEN 2020 AND 2025.
- PACKAGING IS PROJECTED TO ACCOUNT FOR THE LARGEST MARKET SHARE OF THE MASTERBATCH MARKET BETWEEN 2020 AND 2025.

MASTERBATCH EXPECTED MARKET SIZE CAGR(5.1%)



KEY TRENDS



INFRASTRUCTURE

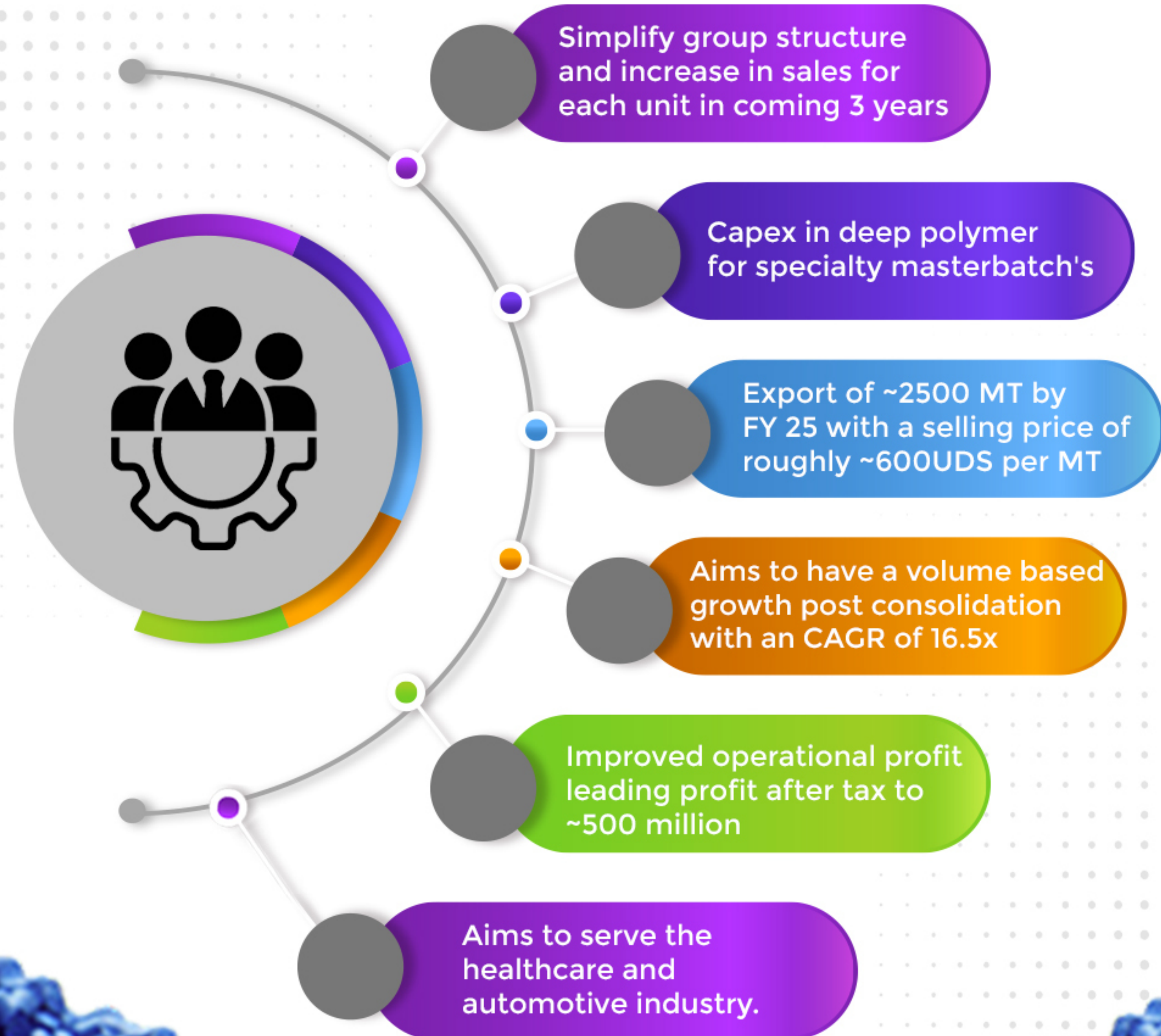


DEEP POLYMERS IS SPREAD OVER 20,000 SQUARE YARDS AND HAS A FLOURISHING STATE OF ART MANUFACTURING CAPABILITIES.

Our units are based in Gandhinagar, Ranakpur and Ahmedabad which have locational advantage being near to customers and ports of export. We plan to increase our focus on export to Africa, USA and Europe in the current year and add multiple high value products for the International Market



MANAGEMENT PLANS



PROMOTER PROFILE



Mr. Rameshbhai Bhimjibhai Patel

Promoter

Mr. Rameshbhai Bhimjibhai Patel aged 52 years, is the Managing Director of the Company since September 13, 2005. He is also promoter of our Company. He completed Higher Secondary from Gujarat secondary and Higher Board. He has an experience of 20 years in the field of Plastic Industry of the Company. He has played a pivotal role in setting up of business of our Company. He currently oversees and controls overall business functions of our Company. Our Company has witnessed continuous growth under his guidance.



STRENGTH

- Quality Product
- Sufficient availability of material
- Wide range of products
- Rich Management Experience
- Quality Assurance
- Existing relationship with suppliers

WEAKNESS

- Rapid changes in plastic industry
- Working Capital Intensive Business
- Low accessibilities of skilled labor

OPPORTUNITIES

- Large potential
- Huge growth potential in Domestic and International Market

SWOT

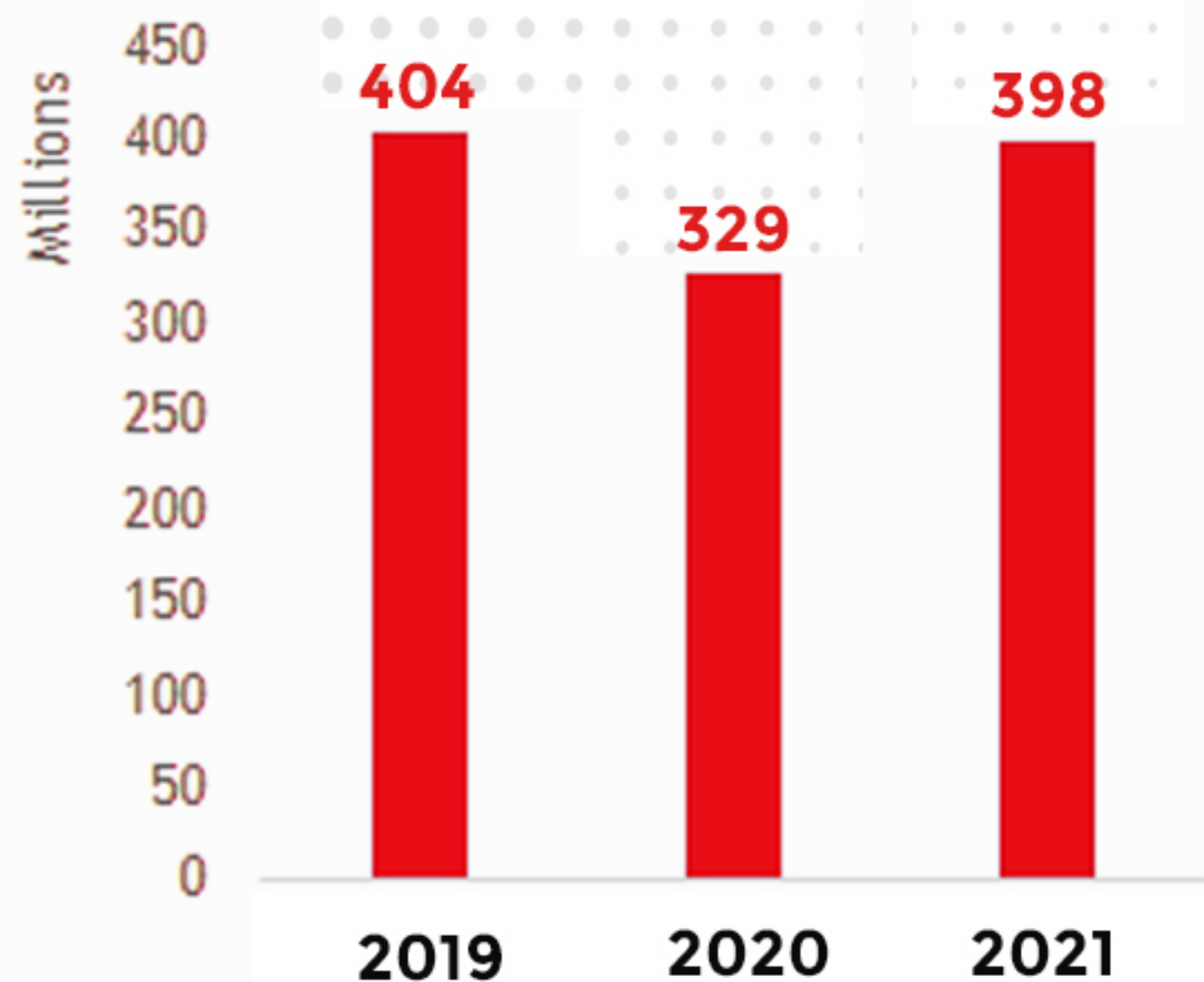
ANALYSIS

THREAT

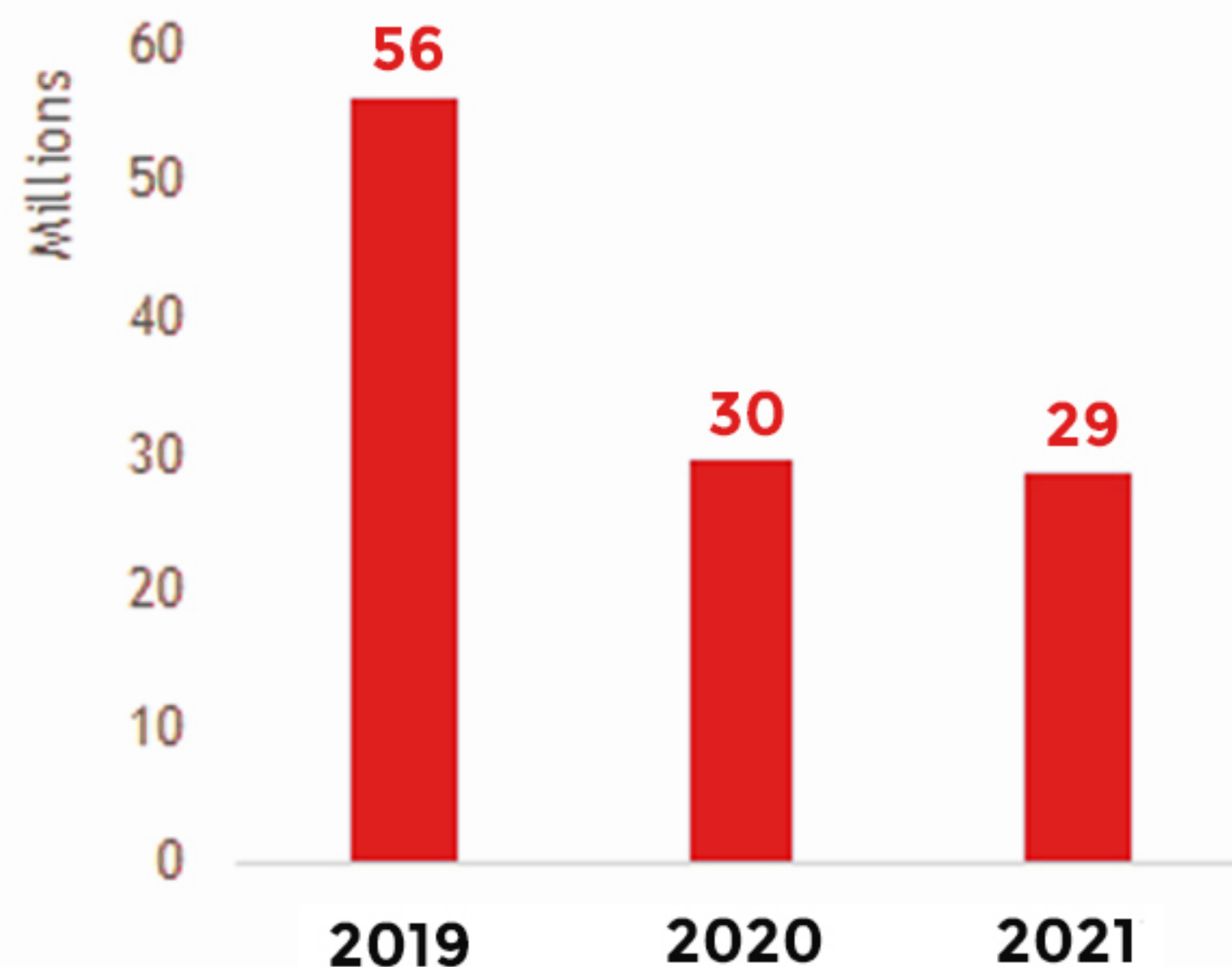
- Any changes or shift of focus of Government policies may adversely impact our financials
- Increased competition from local and big players

FINANCIAL HIGHLIGHTS

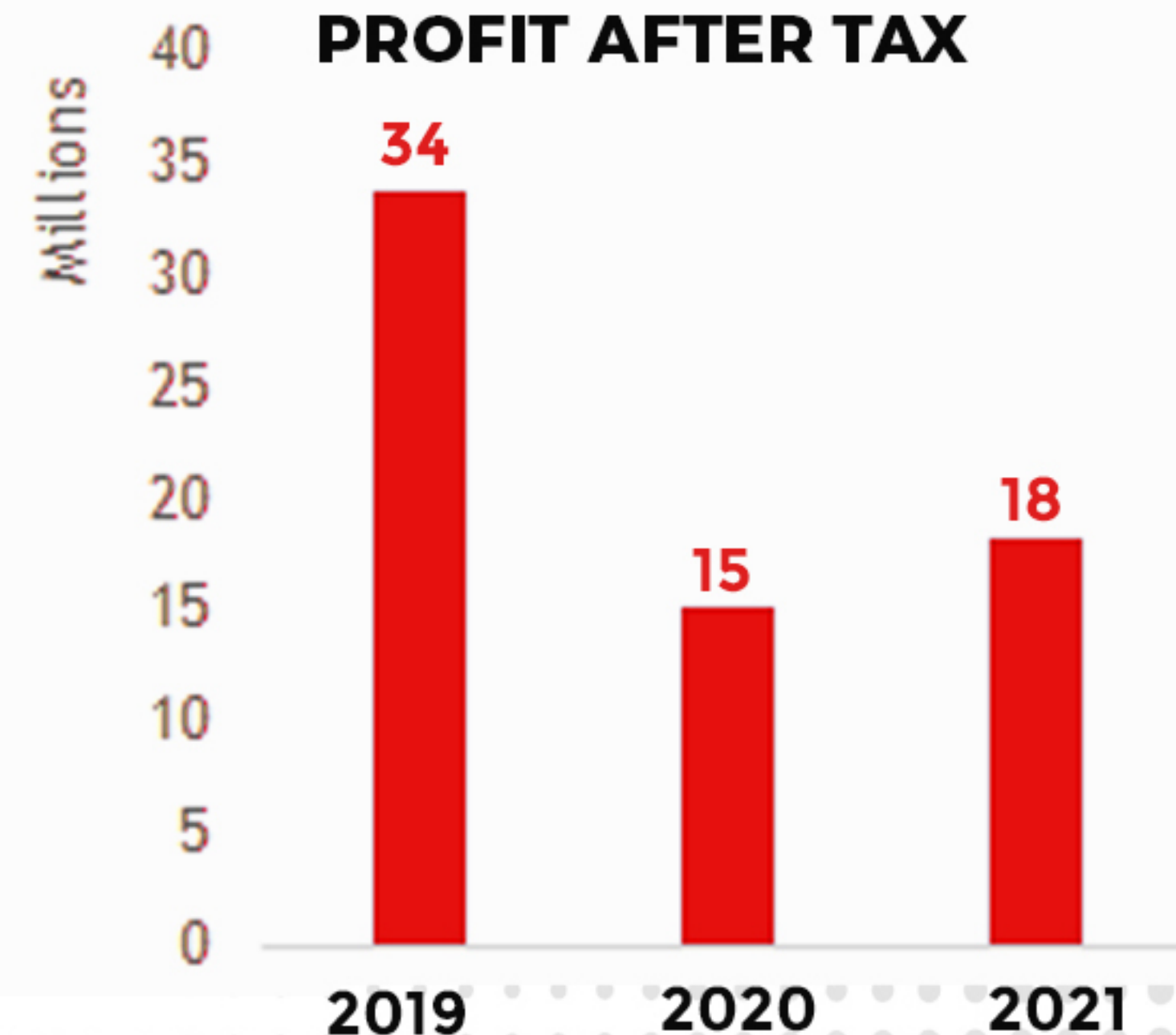
REVENUE FROM OPERATIONS



EBITDA



PROFIT AFTER TAX

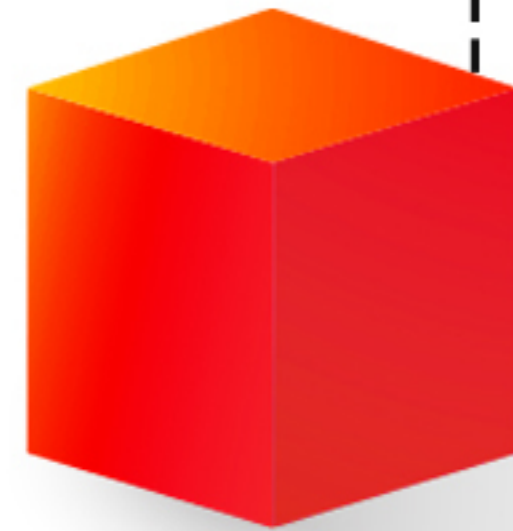


FINANCIAL HIGHLIGHTS – FY 2022 Q3



REVENUE FROM OPERATIONS (IN MILLIONS)

FY 2021 Q3
131.18



FY 2022 Q3
358.46

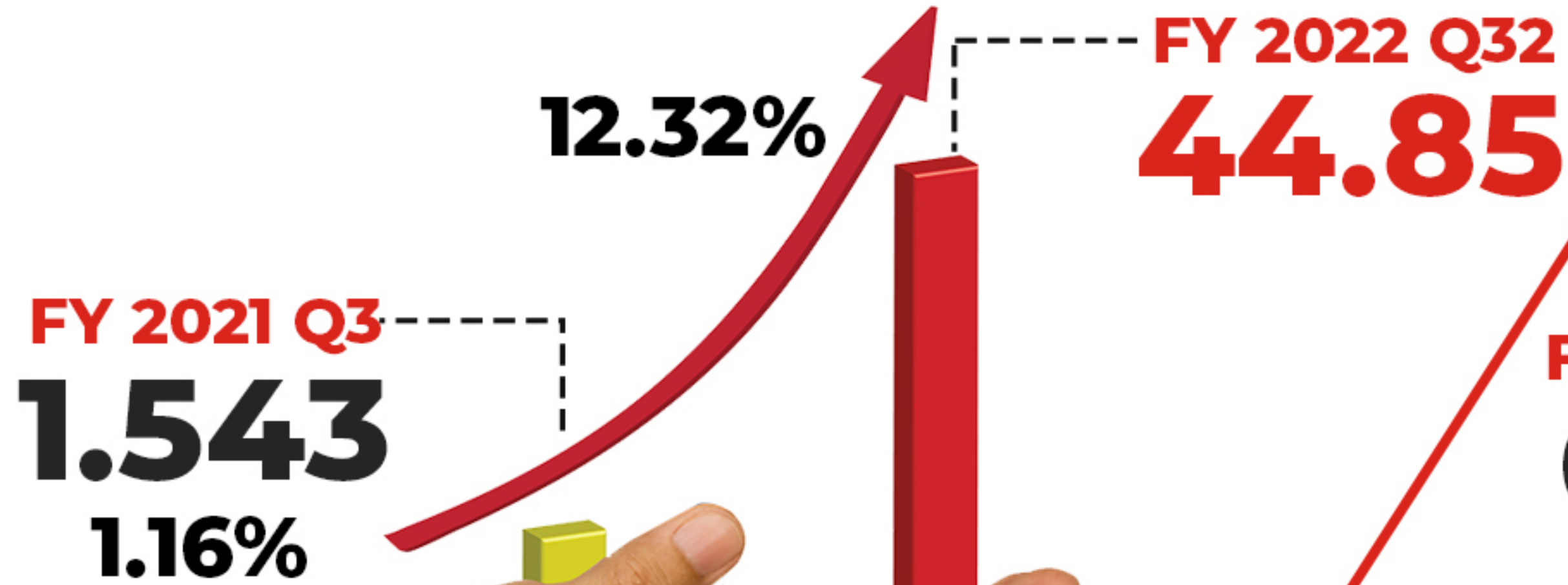


FINANCIAL HIGHLIGHTS – FY 2022 Q3



EBITDA

(IN MILLIONS)



PAT

(IN MILLIONS)

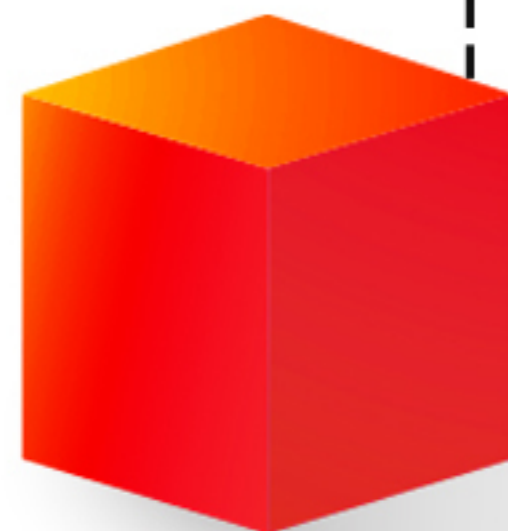


FINANCIAL HIGHLIGHTS – NINE MONTHS



REVENUE FROM OPERATIONS (IN MILLIONS)

FY 2021
286.64



FY 2022
1042.18

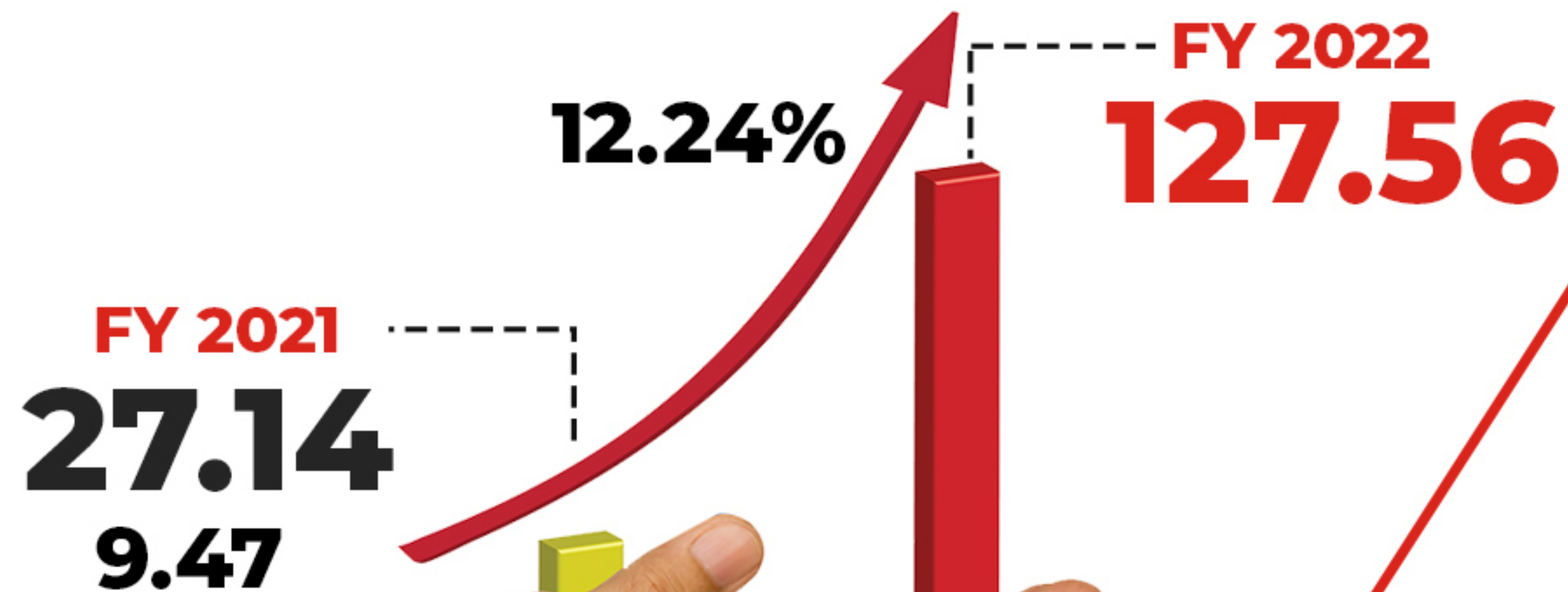


FINANCIAL HIGHLIGHTS – NINE MONTHS



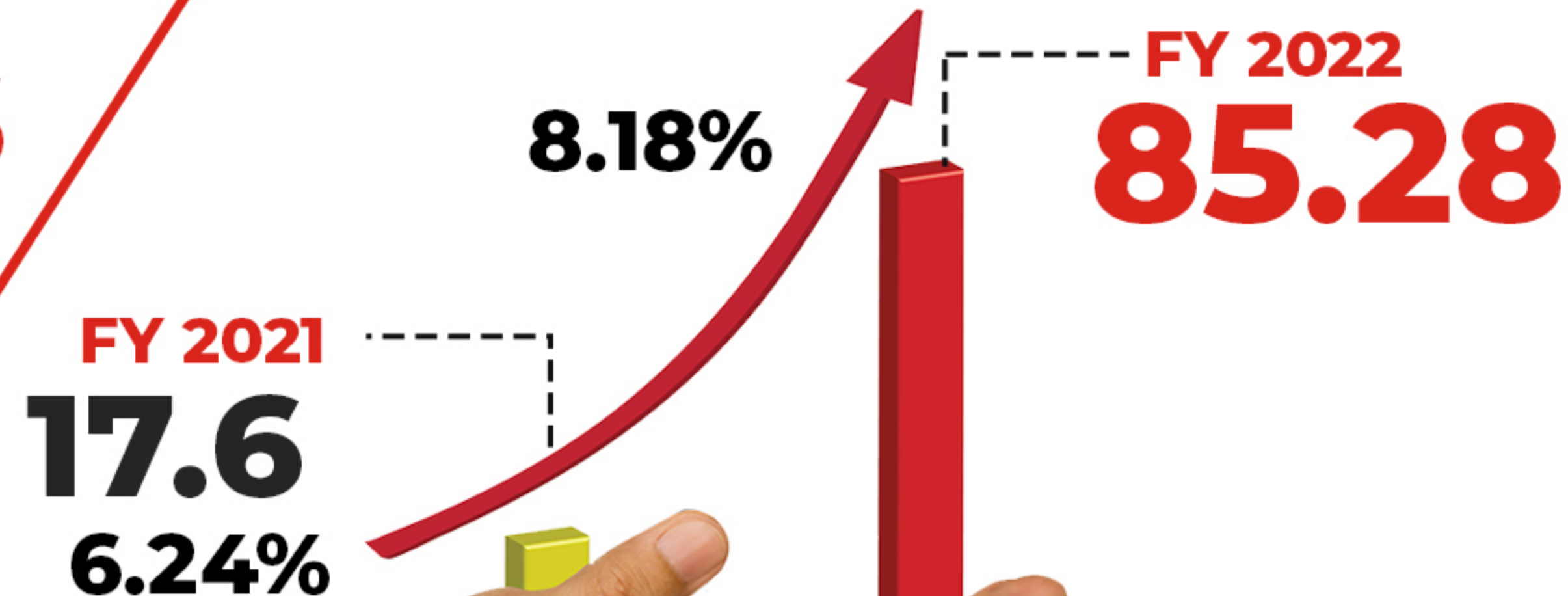
EBITDA

(IN MILLIONS)



PAT

(IN MILLIONS)



INCOME STATEMENT (IN MILLIONS)

	FY 2019	FY 2020	FY 2021	FY 2022 Q1	FY 2022 Q2	FY 2022 Q3
Revenue						
Revenue from Operations	404.21	328.88	397.55	76.59	426.89	358.46
Other Income	21.06	10.55	5.49	1.03	5.08	5.43
Total Revenue	425.27	339.42	403.04	77.62	431.97	363.89
Expenses						
Cost of materials consumed	322.36	257.52	289.39	63.57	328.16	252.36
Changes in inventories of finished goods, work- in- progress and Stock-in-trade	-9.58	1.92	7.46	-9.77	-26.74	-2.96
Employee Benefit Expenses	8.82	9.77	8.73	1.80	8.92	9.04
Finance Cost	4.42	4.31	0.30	0.00	0.01	0.00
Depreciation and Amortization Expense	5.83	4.49	4.14	0.83	4.61	4.61
Other Expenses	47.54	40.44	68.81	12.5	77.03	60.6
Total Expenses	379.39	318.46	378.83	68.93	391.99	323.65
Profit Before Tax	45.87	20.97	24.21	8.69	39.98	40.24
Tax Expense:						
Current tax	11.88	5.80	6.00	2.17	9.99	10.06
Deferred Tax	0.15	0.01	-0.03			
Last Year Short Provision of Tax	0.09	0.00	0.00			
Profit/(Loss) for the period	33.75	15.16	18.24	6.51	29.98	30.18

BALANCES SHEET (IN MILLIONS)



DEEP
MASTERBATCHES

	FY 2019	FY 2020	FY 2021
Assets			
Non-current Assets			
Fixed Assets	29.89	26.37	27.28
Long Term Loans And Advances	5.24	11.08	55.91
Other non-current assets	1.00	1.00	1.00
Total	36.13	38.44	84.19
Current Assets			
Inventories	49.73	43.76	30.98
Trade receivables	202.98	190.64	181.06
Cash and Cash equivalent	3.94	0.14	0.33
Short Term Loans and Advances	16.53	2.36	12.18
Other current assets	0.00	6.78	7.21
Total Current Assets	273.18	243.68	231.76
Total	309.31	282.12	315.95

	FY 2019	FY 2020	FY 2021
Equity and Liabilities			
Shareholder's Funds			
Share Capital	118.72	118.72	118.72
Reserve & Surplus	121.38	135.96	154.20
Total	240.09	254.68	272.92
Non-current Liabilities			
Long Term Borrowing	23.02	3.17	0.00
Deferred Tax Liabilities (Net)	0.02	0.03	0.00
Long Term Provisions	-0.57		
Total	22.47	3.20	0.00
Current Liabilities			
Short Term Borrowing	28.30	7.35	0.00
Trade Payables	15.27	8.91	35.21
Other Current Liabilities	0.07	1.38	1.14
Short term Provisions	3.10	6.60	6.68
Total	46.74	24.24	43.03
Total liabilities	69.21	27.44	43.03
Total	309.31	282.12	315.95

PEER COMPARISON

Name	Current Share Price as on 08/02/2021	P/E (x)	P/B (x)	ROE (%)	EV/EBITDA (x)
Deep Polymers	551.80	364.00	24.41	6.68	25.24
Bhansali Engineering Polymers	136.65	4.98	2.77	50.81	4.51
Plastiblends Ind	240.55	16.78	1.90	11.31	8.65
Wim Plast	450.45	16.84	1.41	8.39	8.49
Polylink Poly	28.20	25.84	2.54	4.85	11.46

SCRIPT DETAILS



Company	Deep Polymers
Script Code	541778
Revenue as on 31/12/2021	358.46 Million
PAT as on 31/12/2021	30.18 Million
EBITDA as on 31/12/2021	44.85 Million
Current Market Cap as on 08/02/2022	666.00 Cr
Current Market Price as on 08/02/2022	551.80
Listed on	BSE
Advisor to Company	NNM NextGen Advisory Pvt Ltd
Market Maker	NNM Securities Pvt Ltd

INVESTMENT RATIONALE



- ➔ Experienced and eminent with more than 20 years in the industry
- ➔ Increase in plastic consumption across various industries and verticals
- ➔ The global plastic industry is expected to grow at a CAGR of 5.1% with highly adoption of polymers
- ➔ APAC is the largest and the fastest growing region, also it is expected to drive the demand for polymers
- ➔ Polymers are being the best available source for reducing fuel economy.



DISCLAIMER



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THANK YOU



DEEP
MASTERBATCHES

Mr Rameshbhai bhimbhai
Email: info@deepolymer.in
www.deepolymer.in



Investor Relation

NNM NextGen Advisory Pvt Ltd
Mr Nikunj Mittal/Aaditya Salvi
Email: nikunj@nnmsecurities.com
contact@cokaco.com
aaditya.salvi@cokaco.com