



# Jindal Poly Films Limited



Corporate Presentation  
January 2016

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# Jindal Poly Films Limited

*One of the leading manufacturers of BOPP films in the world*



- ❖ Jindal Poly Films Limited (“JPFL” or “Company”) is a global flexible packaging solutions provider for consumer goods, with manufacturing operations in India, Europe and US with sales footprint in over 40 countries
  - ✓ Global Market: One of the largest manufacturers of BOPP films with around 5% share of global capacity<sup>1</sup>
  - ✓ Domestic Market: One of the key manufacturers in India with largest capacity for both BOPP and BOPET<sup>2</sup>
- ❖ Capacity to manufacture 430 KTPA (‘000 Tons Per Annum) of BOPP; 126 KTPA of BOPET globally, along-with coating and metalising facilities<sup>1,2,3</sup>
- ❖ Plans to increase combined BOPP capacity by 161 KTPA globally along-with additions in coating and metalising facilities
- ❖ Offers wide spectrum of packaging solutions with strong R&D capabilities and 250+ registered patents
- ❖ Significant scale economies, Nashik plant is the largest single location plant in the world for manufacture of BOPP Films<sup>3</sup>
- ❖ Enjoys relationship with several global packaging /consumer goods companies
- ❖ Successful acquisition and turnaround of ExxonMobil’s BOPP films business



1. As per the report on the Global BOPP Film Industry by PCI Films Consulting Ltd dated Dec 2014

2. As per the report on the Global BOPP Film Industry by PCI Films Consulting Ltd dated Dec 2014 and World BOPET Film Market 2013-18 A Statistical Review y PCI Films Consulting Ltd dated Jun 2014 b

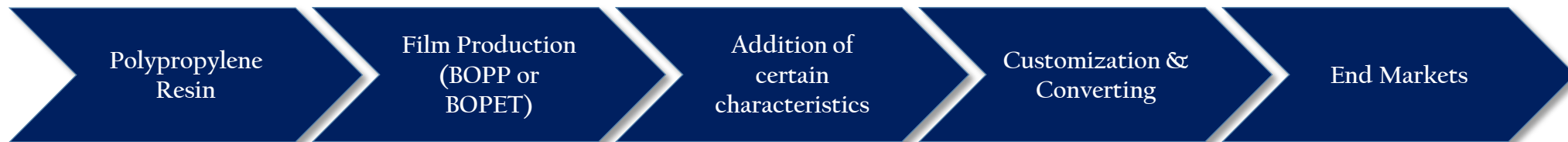
3. As per the report on the Global BOPP Film Market Trends to 2016 by PCI Films Consulting Ltd dated August 2012



# Business Overview

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# Jindal Poly Films in Flexible Packaging Value Chain



- Core resins
- Specialty resins, chemical and additives



- Extrusion
  - Casting on a die
  - Stretching
  - Rolling, etc.
- Resulting in plain clear films



- Coating
- Metallizing
- Slitting to custom widths and outer diameters



- Printing & laminating
- Roll stock coating and laminating
- Slitting to finished widths for packaging or labeling machines



- Flexible food packaging for snacks, confections, biscuit & bakery, dry mixes & beverages
- Container labeling for beverages, health & beauty, household chemicals

### Base Films

### Specialized Films

Product Features

BOPP is a thin, flexible film which can be used as interface with food products or as stretchable packaging items  
It has higher moisture retention properties

BOPET is a strong/thick film which is largely used for external applications in packaging.  
BOPET improves shelf life of product

Metalized / Coated Films are improvisations in BOPP or BOPET to provide advanced barrier, decorative applications

Product Range

Upto 75 Micron

Thin : Upto 50 Micron  
Thick: Over 50 Micron

Customised as per end use requirements

Applications

FMCG packaging, Textile, Tape, Labels  
Lamination to Paper and other plastic films

- Thin: FMCG packaging, lamination to other plastic films
- Thick: Electronics, Stationary, Motor Insulation, Sequence for textile

Flexible Packaging Industry, Packaging of food items with moisture, oxygen barrier, Pressure sensitive labels, etc.

JPFL Capacity

210 KTPA in India, 220 KTPA in Europe and US<sup>1</sup>

126 KTPA (only in India)<sup>2</sup>

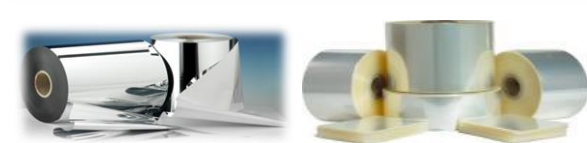
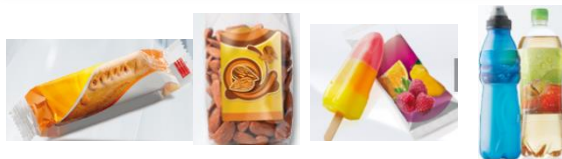
Metalising 63 KTPA, Coating 4.5 KTPA in India. Also has metalising and coating facilities in Europe and US<sup>3</sup>

Raw Material

Resins procured from petro-chemical suppliers

Backward integrated with 176.4 KTPA Polyester Chips making Capacity at Nasik, Maharashtra

Base films, aluminum wires and other additives and chemicals



1. As per the report on the Global BOPP Film Industry by PCI Films Consulting Ltd dated Dec 2014  
2. As per the report on World BOPET Film Market 2013-18 A Statistical Review y PCI Films Consulting Ltd dated Jun 2014  
3. As per the report on the Global BOPP Film Market Trends to 2016 by PCI Films Consulting Ltd dated August 2012

### Technical Textiles (Global Non Wovens)

### Photo Films

Products

Polypropylene based nonwoven packaging solutions with Germany Technology

Marketing/manufacturing of Photographic Color Paper, Photographic Chemicals, Thermal Printers & Media, Medical X-Ray Films

Applications

- Hygiene and medical applications

- Imaging and medical/diagnostics

Capacity

Nasik, India – plant commissioned on 1st July 2015, Capacity 18 KTPA

NA

Other Particulars

Currently major part of Indian demand of these products is serviced by imports

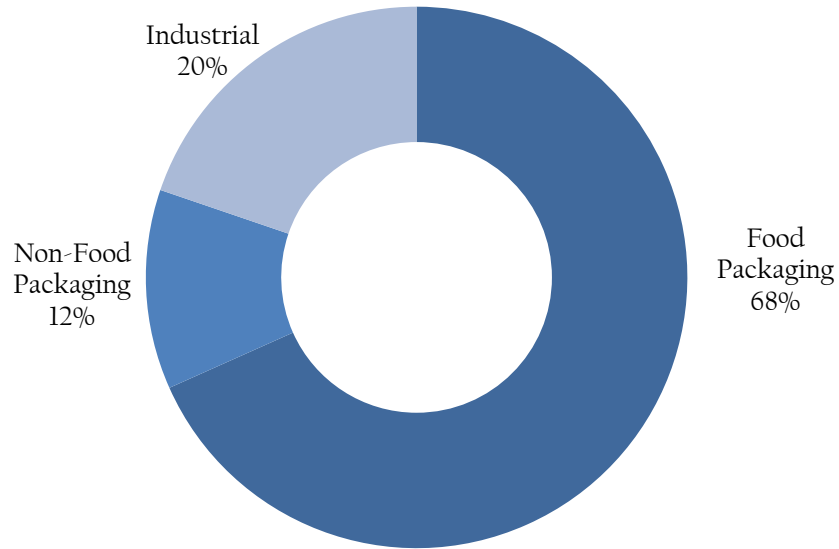
Jindal Photo and the Company have filed a Scheme of Arrangement under Sections 391-394 of the Companies Act 1956 before the High Court of Allahabad and the High Court of Bombay for demerger of the manufacture of photographic paper and film business and transfer to JPFL



# End Use Markets for Flagship Products

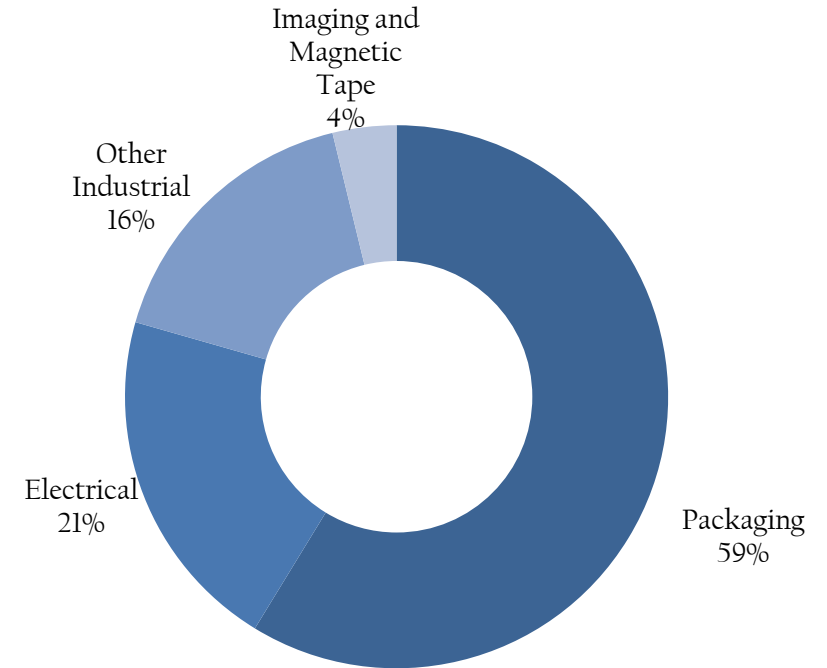


## BOPP End Uses<sup>1</sup>



Global capacity ~ 9,500 KTPA<sup>3</sup>

## BOPET End Uses<sup>2</sup>



Global capacity ~ 5,000 KTPA<sup>2</sup>

1. 2011 data: As per the report on Global BOPP Film Market Trends to 2016 by PCI Films Consulting Ltd dated August 2012  
2. 2013 data: As per the Report on World BOPET Film Market 2013-18 A Statistical Review by PCI Films Consulting Ltd dated June 2014  
3. 2013 data: As per the report on the Global BOPP Film Industry by PCI Films Consulting Ltd dated Dec 2014

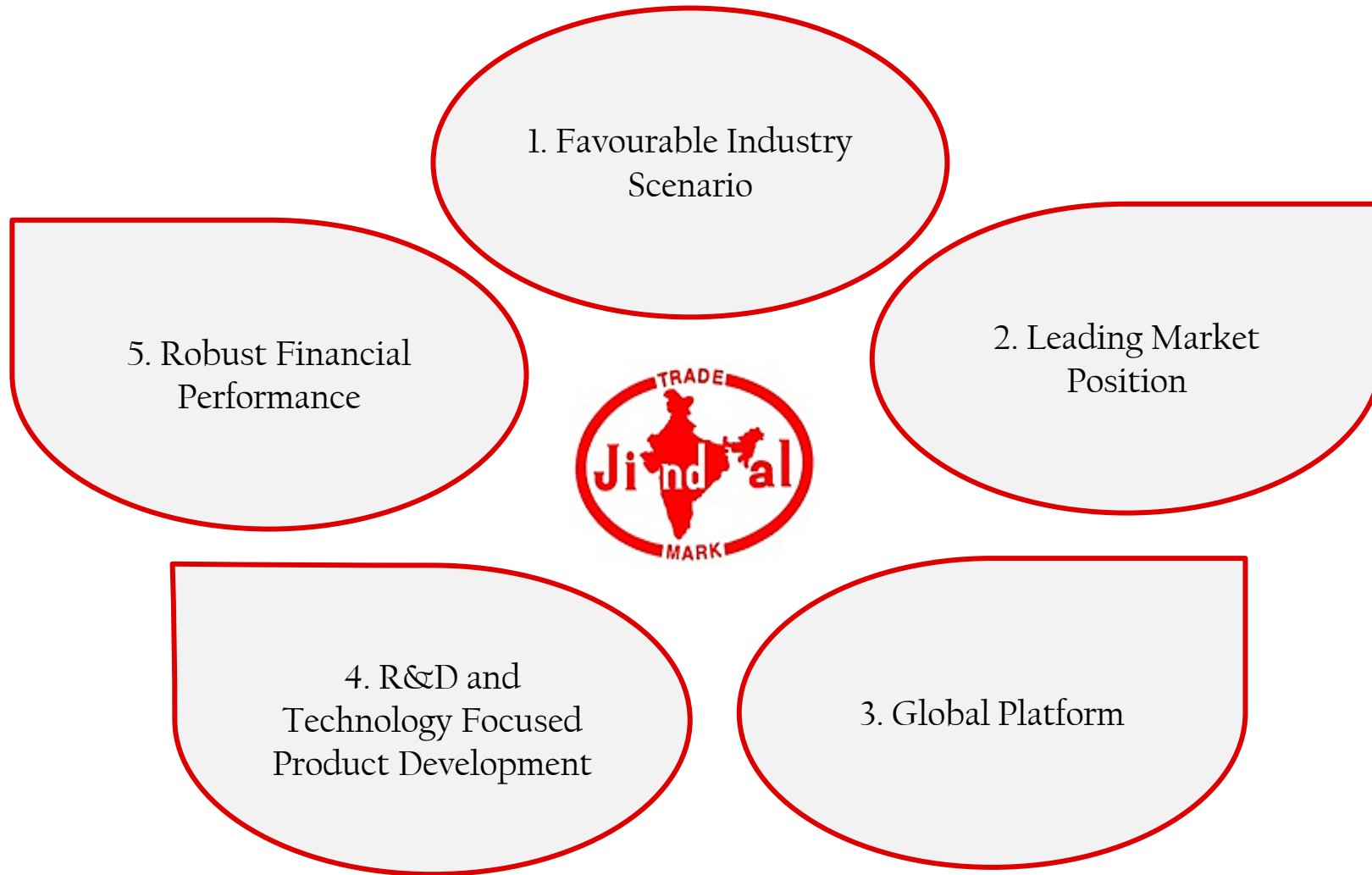




# Key Investment Highlights

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# Key Investment Highlights



# 1. Favourable Industry Scenario

## Growth Drivers



Growing penetration of packaged food driven by new applications in food retailing, higher disposable incomes

Growing importance of smaller pack sizes

Increasing prominence of organised and online retailing

New converting and packaging equipment, which have increased applications of poly films

Shift from rigid material, aluminum foils, towards flexible packaging driven by lower cost, end-product quality

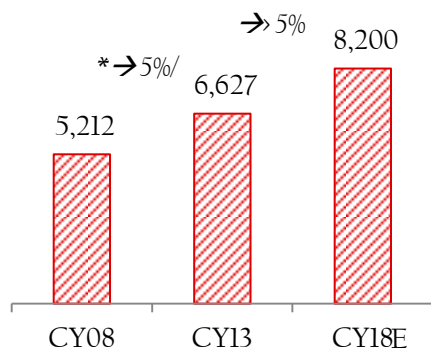
# 1. Favourable Industry Scenario contd..

## Growth Projected

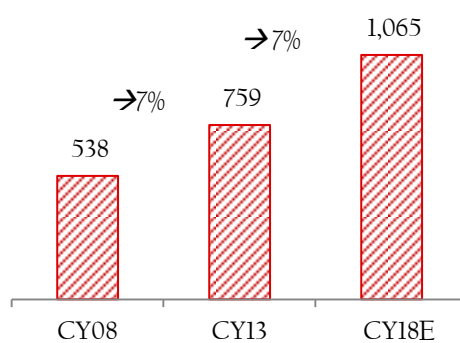


(Demand in KTPA)

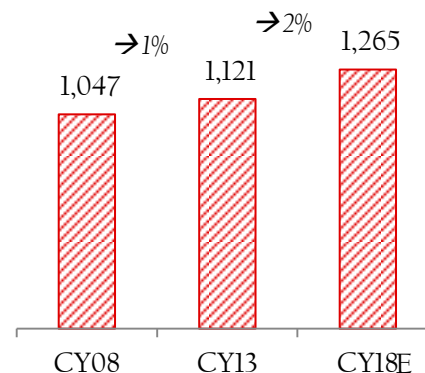
Global BOPP Demand<sup>1</sup>



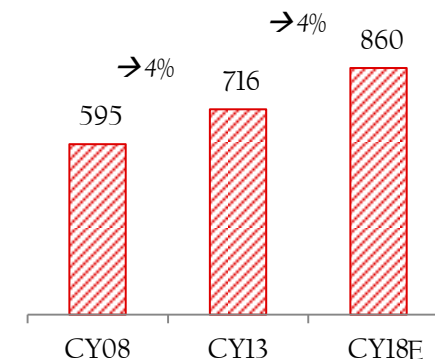
South East Asia & Oceania (including India) BOPP Demand<sup>1</sup>



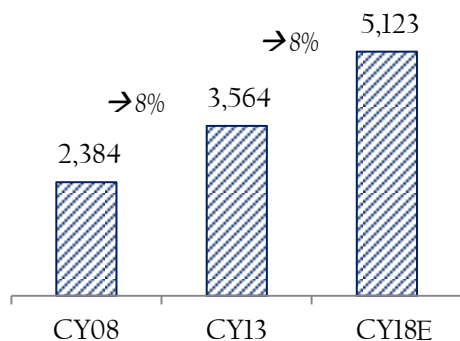
Europe BOPP Demand<sup>1</sup>



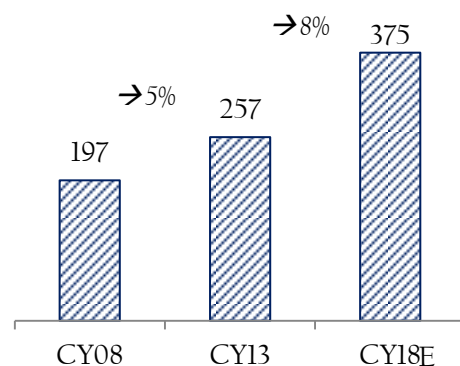
North America BOPP Demand<sup>1</sup>



Global BOPET Demand<sup>2</sup>



India BOPET Demand<sup>2</sup>



- End products (FMCG) growth as well as innovations/changes in consumption patterns have ensured global volume growth 4-5%<sup>1</sup>
- In medium term US is expected to grow around 4%, Europe being slightly mature market would grow 2.4%<sup>1</sup>
- Indian BOPP market demand was ~300 KTPA in 2013, which grew by 10-12% during 2008-13 period<sup>1</sup>
- In BOPET global as well as India demand is expecting 8% growth in 2013-18 period<sup>2</sup>

1. As per the report on the Global BOPP Film Industry by PCI Films Consulting Limited dated December 2014

2. As per the Report on World BOPET Film Market 2013-18 A Statistical Review by PCI Films Consulting Limited dated June 2014

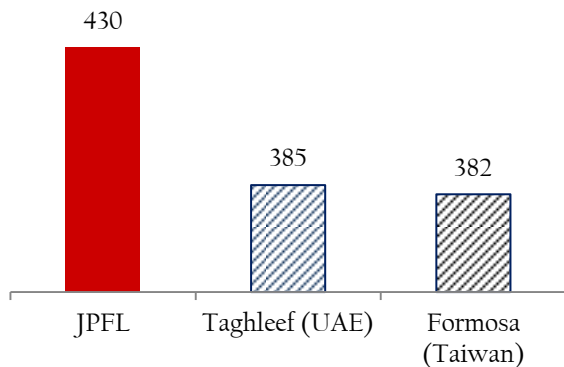
## 2. Leading Market Position

Global Leader in BOPP films

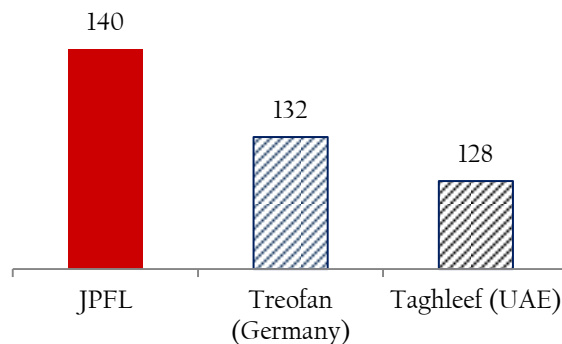


(Rated Capacity in KTPA)

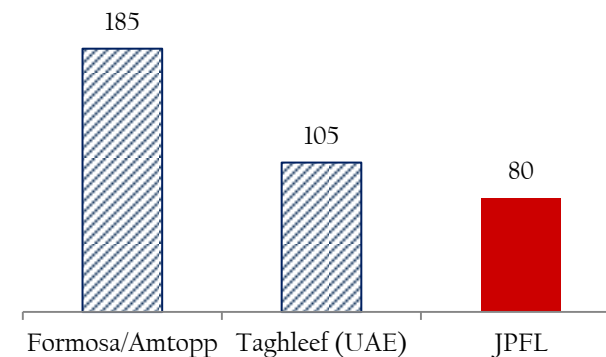
### Global BOPP<sup>1</sup>



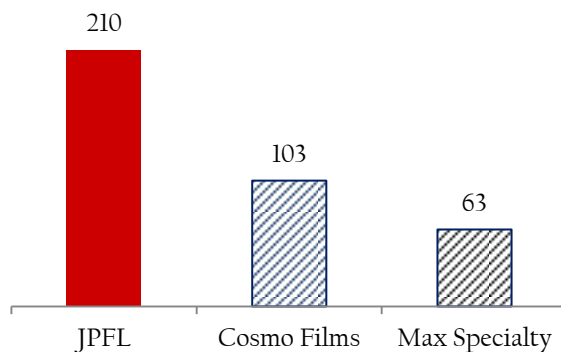
### Europe BOPP<sup>1</sup>



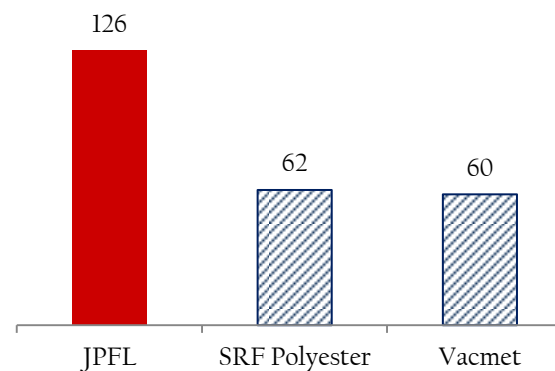
### North America BOPP<sup>1</sup>



### India BOPP<sup>1</sup>



### India BOPET<sup>2</sup>



1. 2013 data: As per the report on the Global BOPP Film Industry by PCI Films Consulting dated December 2014;

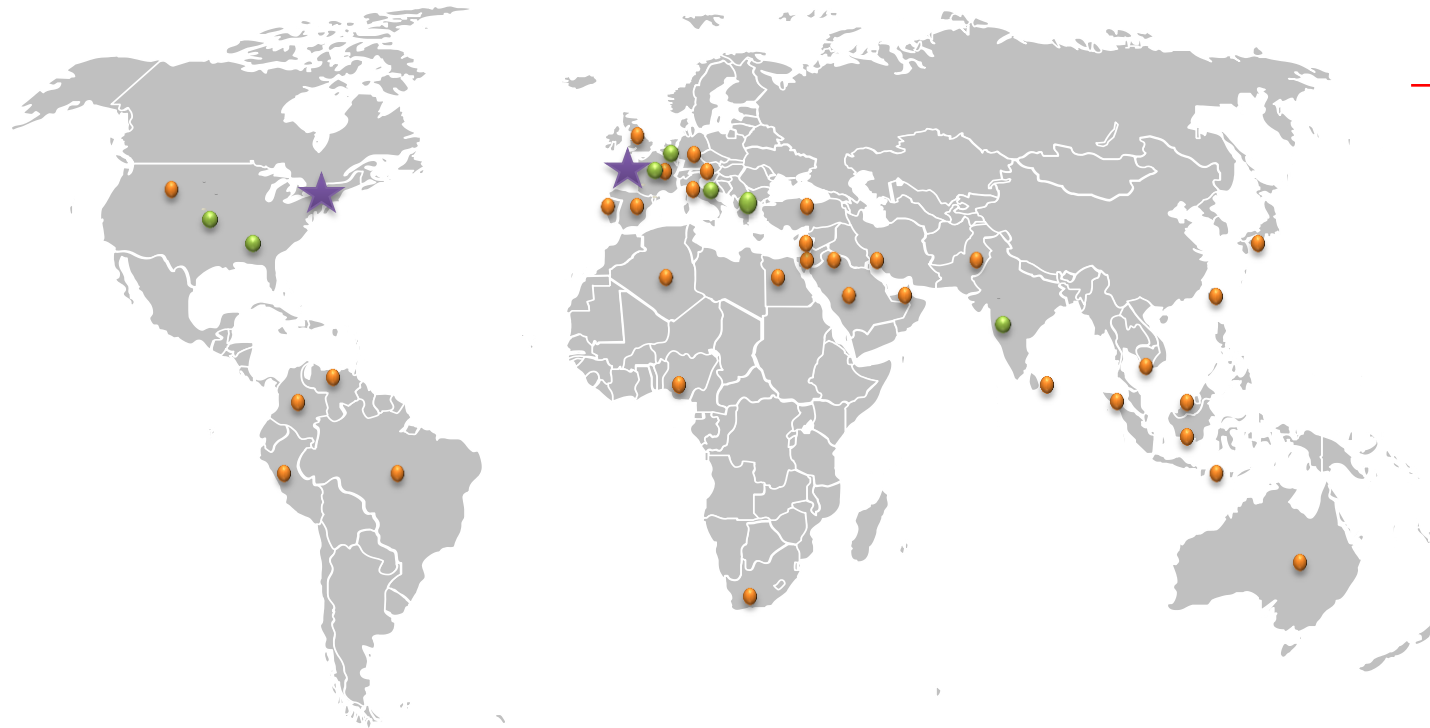
2. 2013 data: As per the Report on World BOPET Film Market 2013-18 A Statistical Review by PCI Films Consulting dated June 2014

# 3. Global Platform

## Geographical Spread

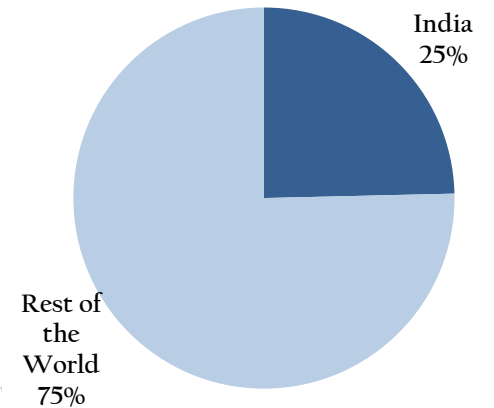


### Manufacturing facilities in India, USA, Belgium, Italy and Netherland



- Presence
- Manufacturing Facilities
- ★ Innovation Centre

### Breakup of Consolidated Revenues (FY15)



Note: Map not to scale

### 3. Global Platform contd..

#### *Manufacturing Facilities*



Nashik - India



Georgia - US



Oklahoma - US



Netherlands - Europe



Belgium - Europe



Italy - Europe

### 3. Global Platform contd..

#### Jindal Films Transformation



*Jindal Poly Films India acquired the global BOPP films business of ExxonMobil (now called “Jindal Films”) in 2013*

- Jindal Films is a leading manufacturer of BOPP (including Metalized and Coated Films) in US and Europe
- Products mainly used in flexible packaging and label applications by large FMCG companies
- 5 manufacturing units globally – 3 in Europe and 2 in the US – total capacity of 220 KTPA
- Modern technology and R&D capabilities with 250+ patents and a strong product pipeline
- Local customer base includes global brand owners (FMCG) and large converters
- BRC Packaging Standard Certified

*.. And has implemented a remarkable improvement in profitability*

#### Quality of Revenue

Took targeted price increases across product categories and also reduced the sales of loss making products

#### SG&A Cost Reduction

Renegotiated all service and procurement contracts and revisiting the scope of the services, resulting in lower cost

#### Planning & Implementation

Pre acquisition planning followed by close monitoring during implementation

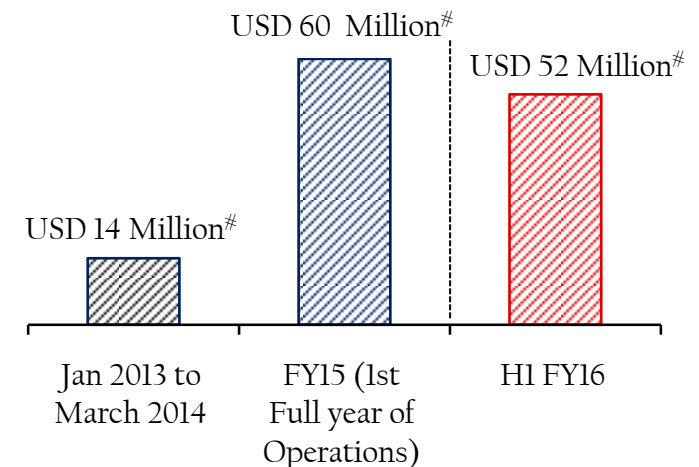
#### Global RM Procurement

Leveraging global requirements and relationships for sourcing & introduced new suppliers to create competition

#### Manufacturing Efficiencies

Continuous focus and shorter payback capex initiatives have resulted in reduction of waste and improvement in the productivity

4x EBIDTA by 1<sup>st</sup> full FY of operations



# As per Consolidated Financial Statements of JPF Netherlands BV prepared as per IFRS-EU



### 3. Global Platform contd..

*Jindal Poly Films + Jindal Films consolidated strengths*



**Jindal Poly Films Ltd (India)**

#### Standard Products

Latest Orientation Technology

Highly Competitive Cost Structure (largest single location plant in the world)<sup>1</sup>

Quality Standard Products

Un-interrupted supply with high emphasis on quality



**Jindal Films (business acquired from ExxonMobil) (Europe & US)**

#### Premium FMCG Products

R&D and Process Know-how

Downstream Customer Relations and Sales Network

Quality Standard and Value Added Products in the premium segment

Core Business with Long Term Commitment



One of the leading manufacturers in BOPP films



250+ Registered Patents and access to value added products, R&D spend USD 11 million in FY15



**Global Solutions for Packaging Innovation**



Global Foot Print with Manufacturing Base in 3 Continents



Amalgamating best practices from two different organizational cultures

# 4. R&D and Technology Focused Product Development

Keeps JPFL ahead of the curve..

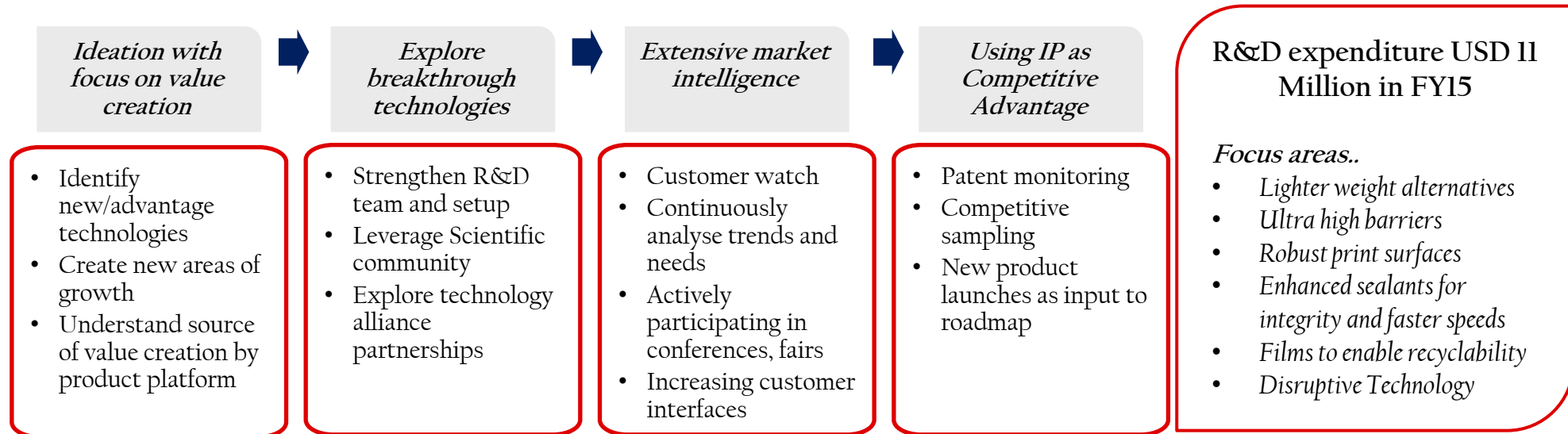


## Differentiating Capabilities

- ✓ 40 years of commitment & continuous investments in product, process and application technologies
- ✓ Technology building blocks, 250+ patents
- ✓ Strong market and applications knowledge
- ✓ Customer/end-use focused approach for product development
- ✓ Technology centres dedicated for developing innovative product platforms globally



## Focus on innovations across the organisation

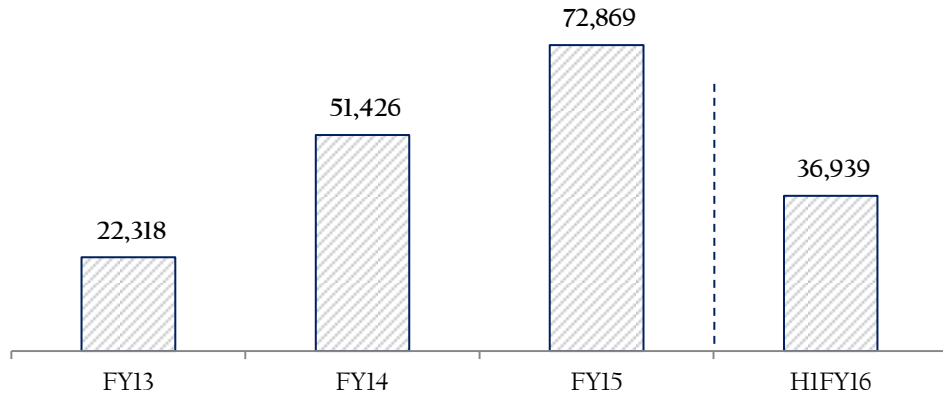


# 5. Robust Financial Performance

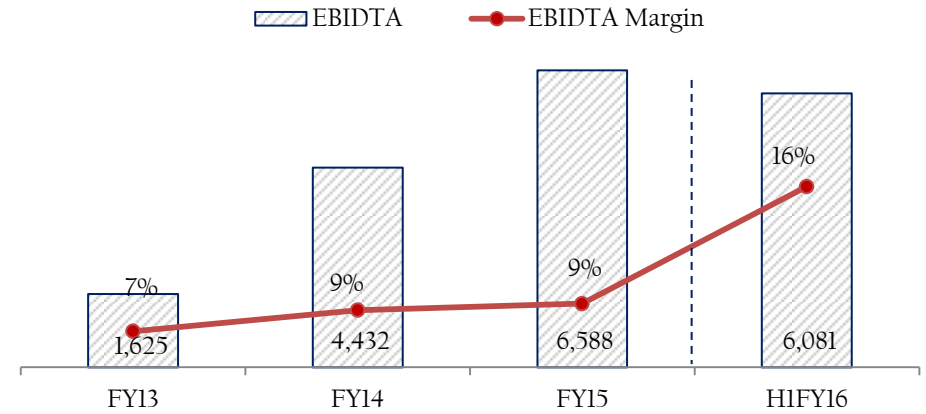


Recent Trends (consolidated numbers in INR million unless otherwise stated)

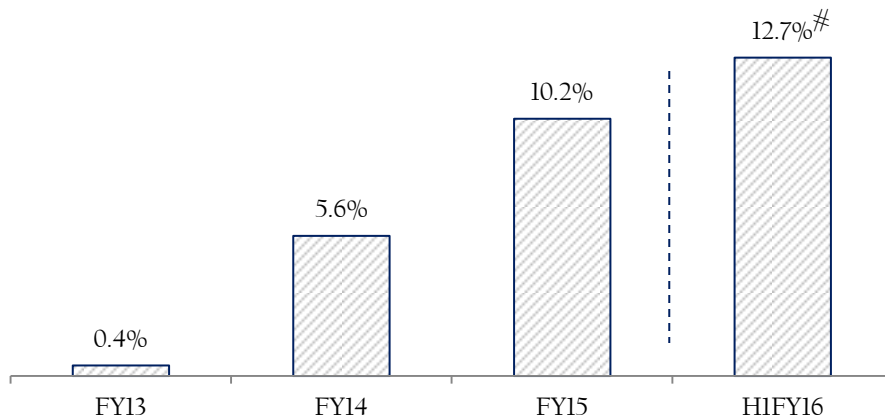
## Sustained revenue growth .....



## ...with improving EBIDTA margins

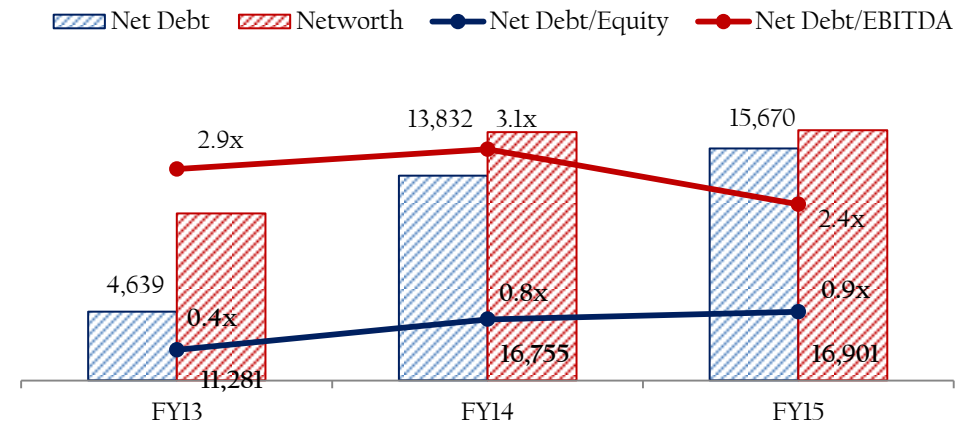


## Steadily improving RoE .....



# Not Annualised, based on only half year's PAT  
 ROE = PAT/Average Network of FY and corresponding previous FY

## Healthy debt position provides significant headroom for growth



Net Debt = Long Term Borrowings plus Short Term Borrowings plus Current Maturities of Long Term Debts minus Cash and Cash Equivalents minus Current Investments



# Strategy

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# Business Strategy

*Consolidate leadership position, capitalize on opportunities*



- Expand capacity to increase market share in a fragmented industry
- Increase combined BOPP capacity by 161 KTPA globally along-with additions in coating and metalising facilities

Expanding BOPP  
production in select  
locations

Implementation of  
new technologies

Inorganic growth  
opportunity

Realignment of  
production and  
marketing  
strategies

Continue to  
focus on cost  
management

- Further strengthen R&D & technical capabilities
- Strive to leverage technology and R&D strengths to create niche products

- Continue to evaluate consolidation and geographical expansion opportunities

- Realign product mix in favour of higher value added and higher margin items
- Increase production of base films

- Further improve cost efficiency
- Strive to further ring-fence from raw material price variability



Thank you for your Interest

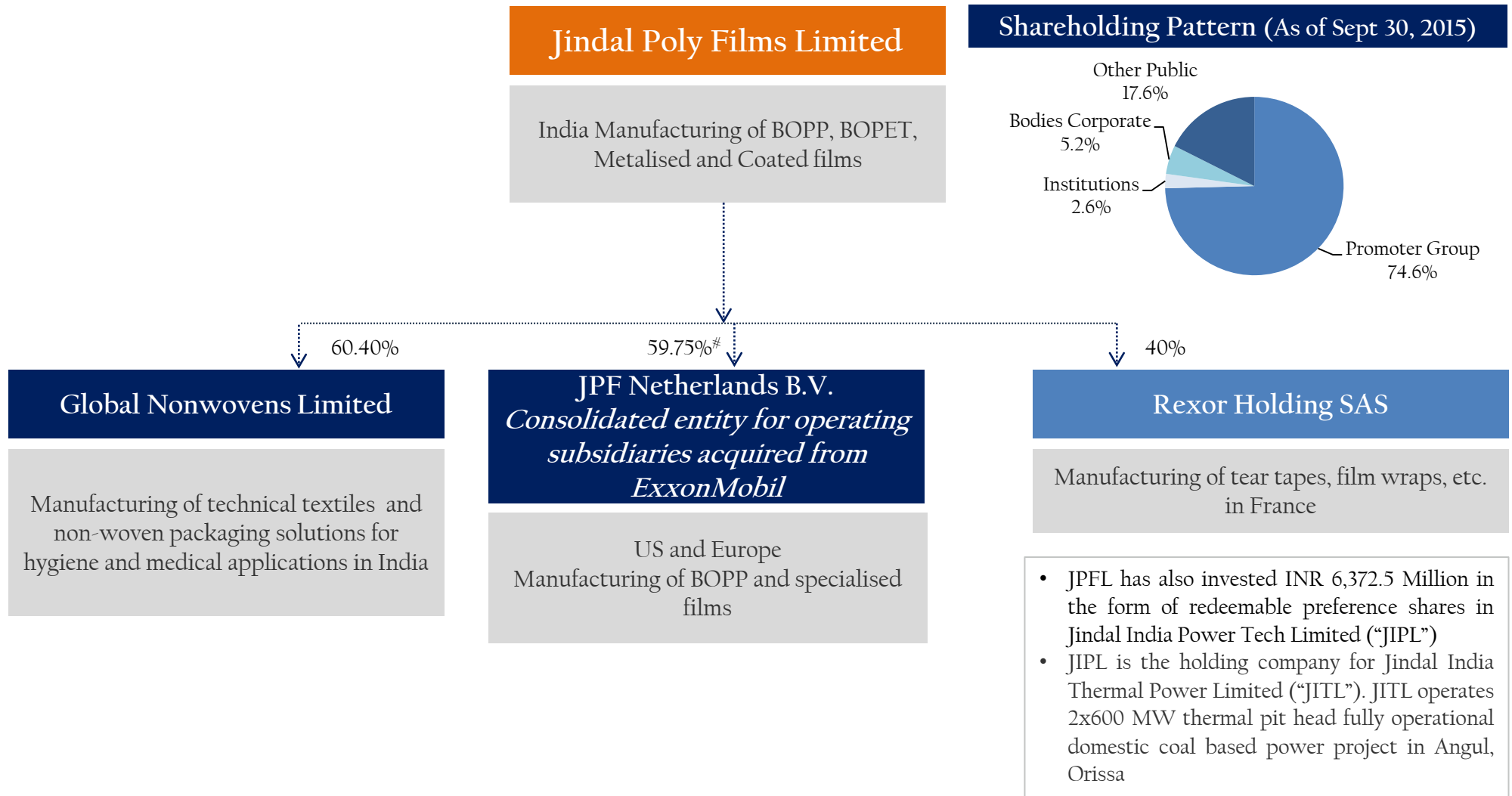
Annexures Follow

Jindal Poly Films Limited

Plot No 12, Sector B-1, Local Shopping Complex, Vasant Kunj, New Delhi-110070

# Annexure 1

## Operating Subsidiaries and Associate Companies



60.40%

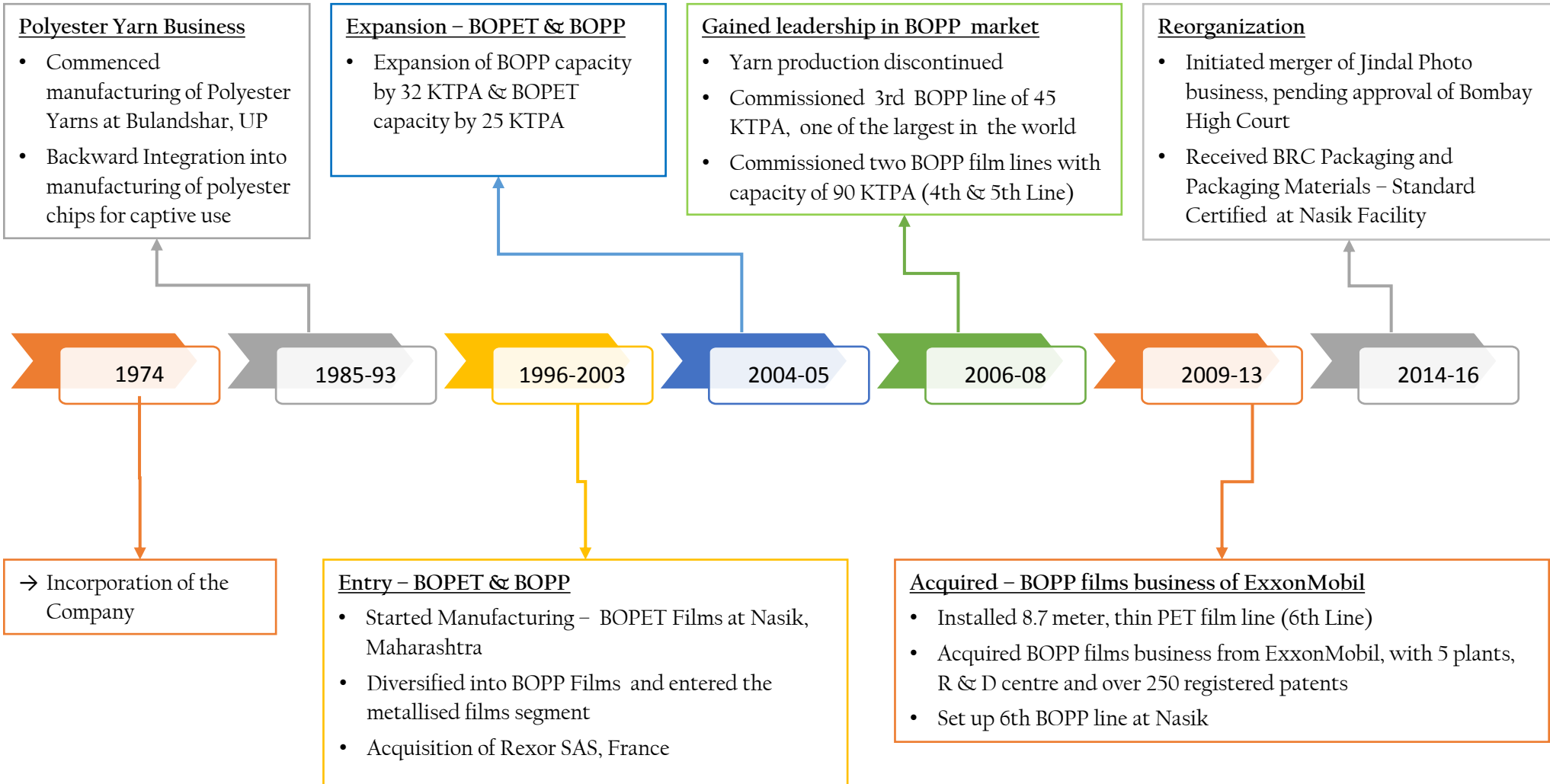
59.75%#

40%

\*51% directly, and 8.75% through a wholly owned subsidiary

# Annexure 2

## Key Milestones





# Annexure 3

## Financial Snapshot



### Profit & Loss (Consolidated)

Particulars (INR Million)	FY13	FY14	FY15	HIFY16
Revenue from operations	22,318	51,426	72,869	36,939
Other Income	240	274	128	109
<b>Total Income</b>	<b>22,558</b>	<b>51,700</b>	<b>72,997</b>	<b>37,048</b>
Cost of materials	16,595	32,943	43,101	20,035
Change in inventories	(171)	(104)	602	(246)
Personnel Cost	337	4,459	8,146	4,179
Other expenses	4,171	9,971	14,560	6,999
Sub-total	20,933	47,269	66,409	30,967
EBIDTA	1,625	4,432	6,588	6,081
EBIDTA Margin	7.2%	8.6%	9.0%	16.4%
Finance costs	351	1,195	823	394
Depreciation and amort.	889	1,876	2,269	1,189
Exceptional items	216	268	1,169	-56
PBT	169	1,093	2,327	4,555
Tax	87	407	456	1,297
PAT (before MI)	82	686	1,872	3,258
PAT from discontinued operation	(21)	(18)	(54)	(5)
PAT	60	781	1,721	2,407
PAT margin	0.3%	1.5%	2.4%	6.5%

### Balance Sheet (Consolidated)

Particulars (INR Million)	FY13	FY14	FY15	HIFY16
<i>Assets</i>				
Fixed Assets	12,496	27,848	24,354	29,099
CWIP (incl. unallocated capex)	488	1,296	5,398	1,977
Non-current investments	86	1,755	4,051	6,275
Other Non Current Assets	44	699	350	344
Total Current Assets	7,299	23,158	21,359	22,409
Less: Current Liab. & Prov.	5,657	18,124	15,594	14,877
Net Current Assets	1,642	5,034	5,764	7,532
Cash & bank	196	1,373	1,211	1,597
<b>Total</b>	<b>14,951</b>	<b>38,005</b>	<b>41,127</b>	<b>46,823</b>
<i>Liabilities</i>				
Long Term Borrowings	1,959	9,498	12,294	12,982
Deferred Tax Liabilities	1,711	5,476	5,478	4,902
Other Non Current Liabilities	0	2,020	1,770	2,126
Minority Interest	0	4,255	4,683	5,679
Shareholder's Fund	11,281	16,755	16,901	21,133
<b>Total</b>	<b>14,951</b>	<b>38,005</b>	<b>41,127</b>	<b>46,823</b>