

Ganesha is in

GREEN BUSINESS

GANESHA ECOSPHERE LIMITED

INVESTOR PRESENTATION Q3FY2020

Safe Harbour

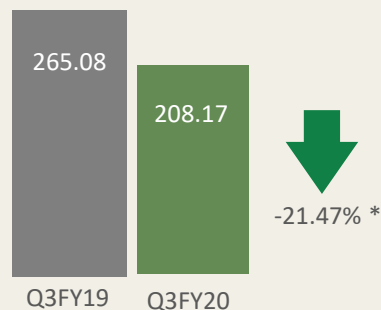
Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", seek to", "future", "objective", "goal", "likely", "project", "should", "potential", "will pursue", and similar expressions of such expressions may constitute "forward-looking statements". These forward looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

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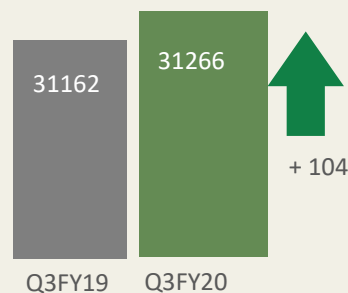
- **Financial Performance**
- **Ganesha's Overview**
- **Growth Drivers**
- **Core Competence**
- **Key Takeaways**
- **What's Next**
- **Annexure**

STANDALONE FINANCIAL PERFORMANCE – Q3FY2020

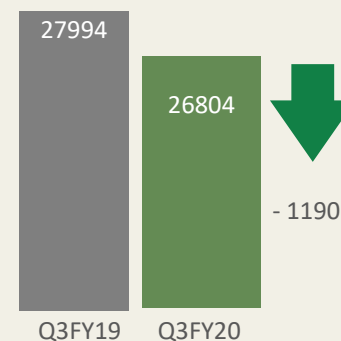
Revenue (Rs crore)



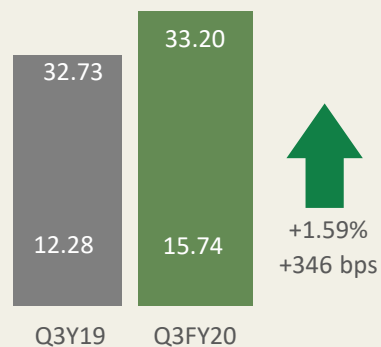
Production Volume (Tons)



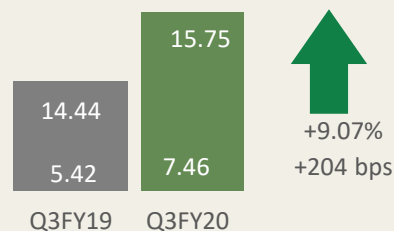
Sales Volume (Tons)



EBIDTA (Rs crore)/ margin (%)



PAT (Rs crore) / margin (%)



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* Due to steep price fall

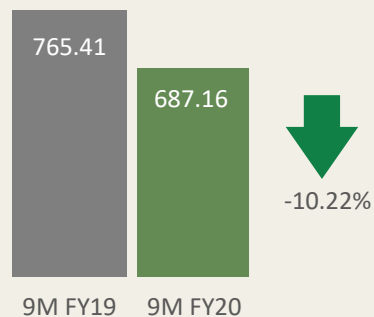
STANDALONE FINANCIAL PERFORMANCE QUARTER-WISE

Rs. In Crore

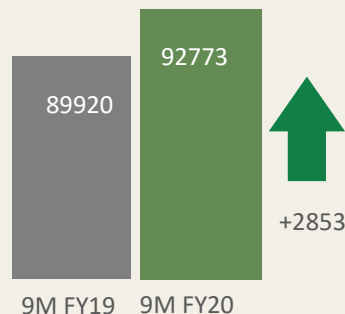
Particulars	December, 2019 (Unaudited)	September, 2019 (Unaudited)	June , 2019 (Unaudited)
Total income	210.96	237.37	244.91
Cost of materials consumed	137.19	134.94	155.23
Purchases of stock-in-trade	2.82	4.94	3.96
Changes in inventories of finished goods, Stock-in - Trade and work-in-progress	(18.16)	1.76	(6.69)
Employee benefits expense	13.91	16.53	15.95
Finance costs	2.51	1.29	2.29
Depreciation and amortization expenses	7.05	7.04	6.93
Power & fuel	21.62	21.99	21.44
Other expenses	20.38	24.52	21.01
Total expenses	187.32	213.01	220.12
Profit before tax	23.64	24.36	24.79
Current tax (net of MAT credit)	7.05	8.48	8.26
Deferred tax	.84	.10	.43
Profit for the period	15.75	15.78	16.10
Basic EPS (in Rs.) (*not annualized)	7.26*	7.21*	7.35*
Diluted EPS (in Rs.)	7.26*	7.21*	7.35*

STANDALONE FINANCIAL PERFORMANCE – 9M FY2020

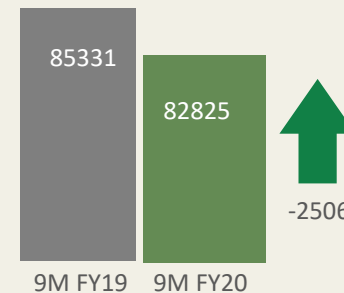
Revenue (Rs crore)



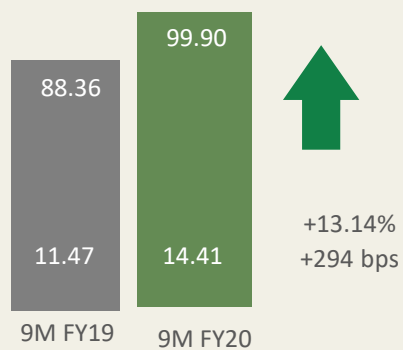
Production Volume (Tons)



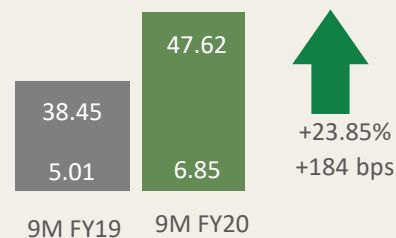
Sales Volume (Tons)



EBIDTA (Rs crore) / margin (%)



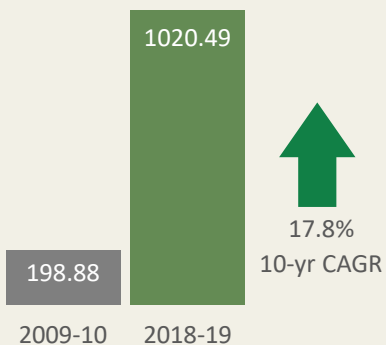
PAT (Rs crore) / margin (%)



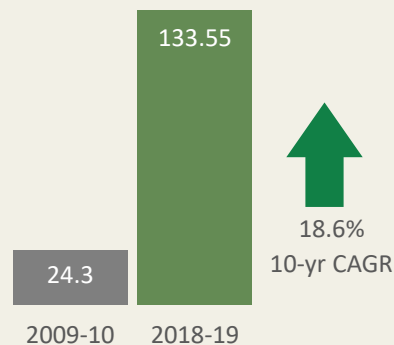
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FINANCIAL PERFORMANCE IN LAST DECADE

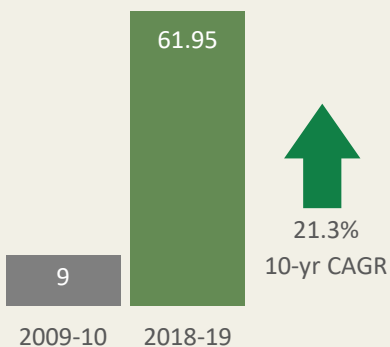
Turnover (Rs crore)



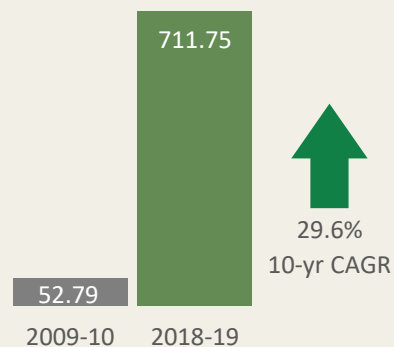
EBIDTA (Rs crore)



PAT (Rs crore)



Market Capitalisation (Rs crore)



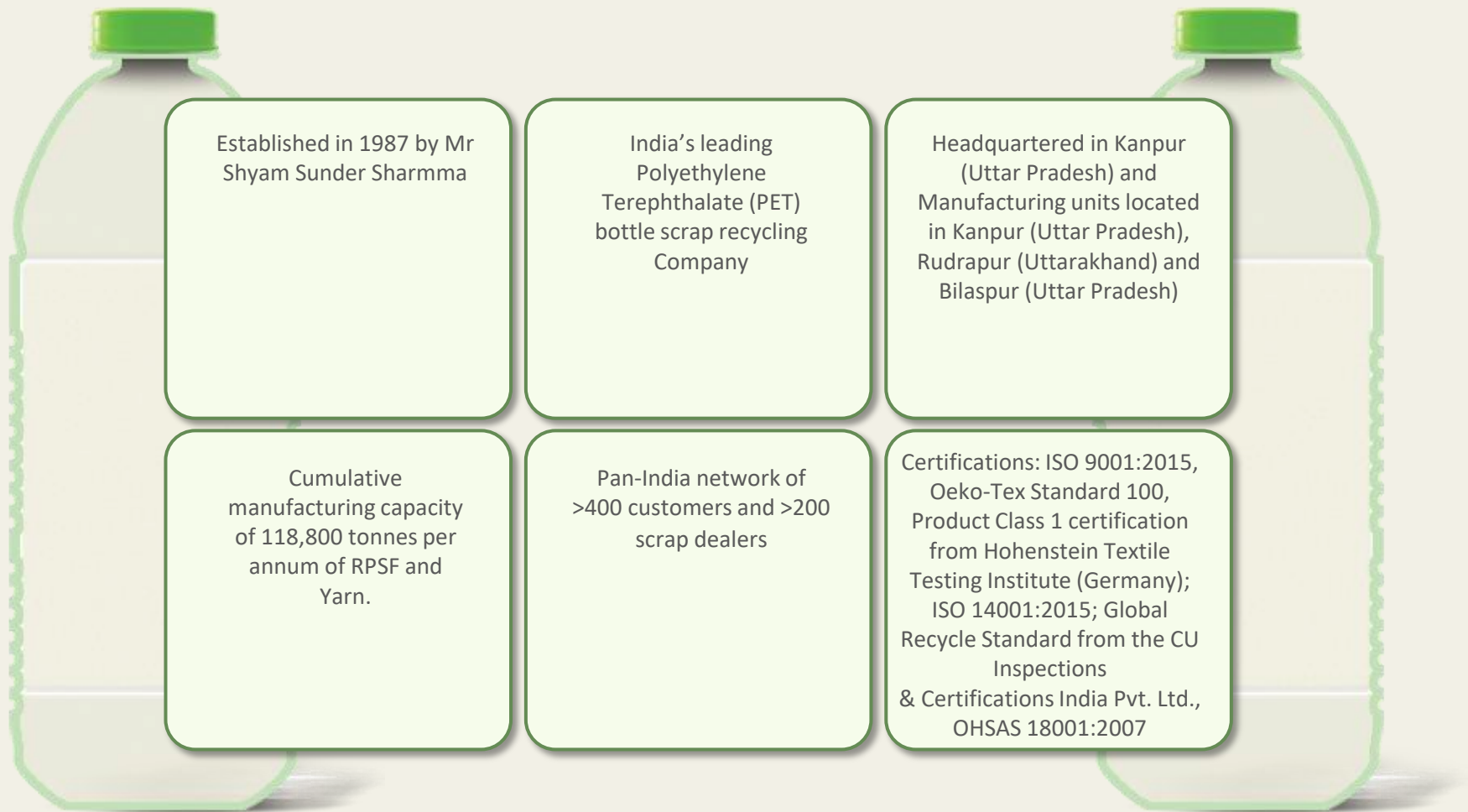
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STANDALONE FINANCIAL PERFORMANCE FOR 9M FY2020

Rs. In Crore

Particulars	December 31, 2019 (Unaudited)	December 31, 2018 (Unaudited)
Total income	693.24	770.21
Cost of materials consumed	427.35	464.82
Purchases of stock-in-trade	11.72	12.07
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	(23.09)	23.02
Excise duty on sale of goods	-	-
Employee benefits expense	46.39	36.87
Finance costs	6.10	8.49
Depreciation and amortization expenses	21.02	18.83
Power & fuel	65.06	70.43
Other expenses	65.91	74.70
Total expenses	620.46	709.23
Profit before tax	72.78	60.98
Current tax (net of MAT credit)	23.78	22.44
Deferred tax	1.37	.09
Profit for the period	47.63	38.45
Basic EPS (in Rs.)	21.82*	17.92*
Diluted EPS (in Rs.)	21.82*	17.92*

WHO WE ARE



Ganesha Ecosphere Limited

WHAT DO WE DO

- Collect discarded PET waste (bottles, containers etc.) for recycling
- Robust collection network 200+ suppliers/ vendors, spreading throughout the country.
- Arrangements with Bottling company for collection and recycling of their plant scrap .
- PET waste sourced through rag pickers chain is crushed and baled by suppliers/ vendors and shipped to our factories;
- Network enables collection of about ~400 tons of PET waste daily.

Sources	Modes	Form
Garbage	Contractor	Bottles / Bales
Institutions	Contractor / Direct	Bottles / Bales
Primary users	Direct	Bottles

> 200
Suppliers/
vendors

3
FACTORIES

Suppliers/ Vendors supply directly to factories in bale or chip form

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HOW DO WE DO

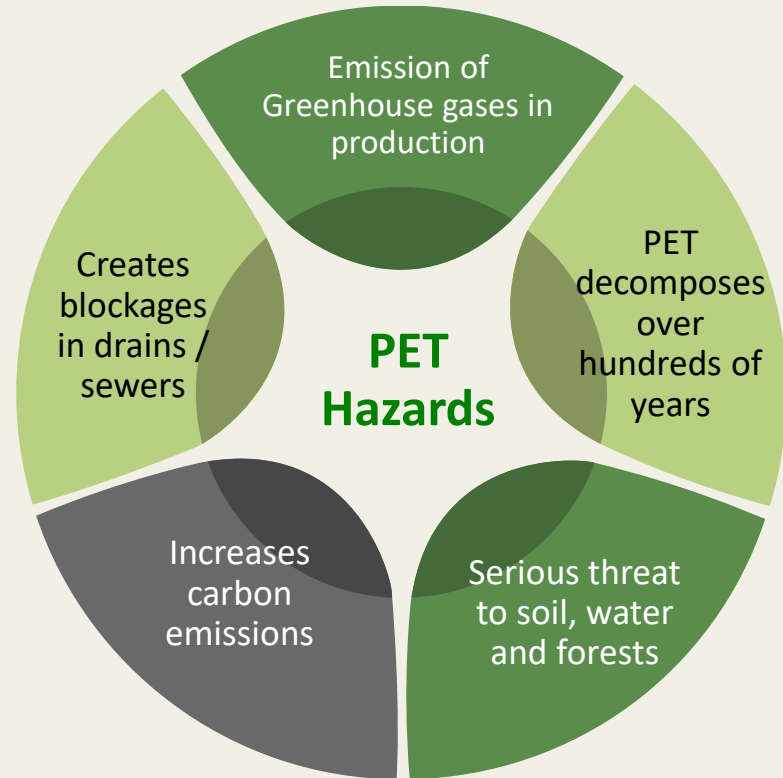
- Waste sorted for colour, non-PET removed, cleaned, chipped to small flakes, converted into RPSF through high speed extruders in a non-chemical process
- With no polluting chemicals used, recycling process itself is environment friendly
- High end drawing and crimping machines allow top quality fibre
- Recycled material compares favourably with virgin fibre / yarn in all aspects
- Installed capacity of 25,920 spindles (7,200 tpa) as well as job arrangement with a outside Yarn Spinning unit to convert about 9% of its RPSF output to RPSY
- Dyeing capability for widest colour palette for fibre and yarn production



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WHY DO WE DO IT

- PET is >40% of global packaging mix but takes over 500 years to decompose
- Problem of waste disposal rising as PET consumption rises across India & world
- **Recycling a must** to sustain environment and reduce landfills and greenhouse gases
- Recycling 1 ton of PET saves 3.8 barrels of crude oil / 6.7 cubic meters of landfill / 1.5 tons of CO₂
- Substitution by recycled PET reduces the greenhouse gas emissions during manufacture of virgin material
- Recycling 1 plastic bottle conserves enough energy to light a 60W light bulb for 6 hours



GESL is proud of playing a socially responsible and important part in helping sustain our environment, preserve energy and reduce greenhouse emissions

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PRODUCTS



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PRODUCTS (cont.)

Long filaments cut into small pieces called staple

Staples combined and spun

Result: Yarn

Description	Application	Industry
Milange	Body Warmers	Knitting
Single Yarn	Dress material	Clothing, knitting and hosiery
Doubled Yarn	Suiting, shirting, furnishing fabric	Clothing, knitting and hosiery



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PRODUCT APPLICATIONS



Textiles

All kinds of clothing's



Functional textiles

Non-woven, air filter fabric, geo textiles, carpets, car upholstery



Fillings

Pillows, duvets and toys among others

RECYCLED PET PRODUCT ADVANTAGES

Consumes
lower energy
in manufacture

Utilises less
water (compared
cotton
cultivation)

Soft, durable
and resistant to
wrinkles,
shrinks and
stains

Lower soil,
water and air
contamination

Lower oil
dependence than
in the production
of original
polyester

Saved landfill
needs; no
incinerator
emissions

75% lower
CO2 emission
than virgin
polyester

rPET MARKET LARGE AND GROWING FASTER THAN ALTERNATIVES



USD bn, Global
rPET market, in
2018



CAGR, expected to
grow during 2019-
2025e



Global rPET Melt
phase capacity
CAGR, 2017-
2022e



Global virgin PET
capacity CAGR,
2017-2022e

MARQUEE GLOBAL BRANDS: INCREASING COMMITMENT TOWARDS RECYCLED PRODUCTS



- 80% products to contain recycled materials by 2020



- 100% recycled polyester use in all products by 2024



- Conscious Collection uses organic and recycled materials
- ~ 26% of offerings produced from sustainable materials



- Launched four capsule apparel collections using recycled ocean plastic



- Re-collection offering comprises 10 styles from 100% recycled down, 100% recycled wool and 100% recycled polyester

- 59 global companies committed to increase rPET use at least 25% by 2020

GLOBAL BRANDS WHO HAVE SIGNED TO 25% RECYCLED PLASTIC USE BY 2020

AB Lindex	GreenBlue	MEC	rePATRN
Adidas	H&M	Metawear	SKFK
Aldi-Nord	Haiyan Haili Green Fiber	Mini Rodini	Sustainable Furnishings Council
Applied DNA Sciences	Hallotex S.L.	Nan Ya Plastics Corporation	Target
Adventura Clothing/Sportif USA	Hussain Mills Limited	Nike, Inc.	Taylor Home & Fashions Limited
Bluey Australia Pty Ltd.	IKEA	Normana Sports AS	Teva
Burton Snowboards	Indigenous Designs	Ohmme	Thread International
Chetana Society	ITC Accessories	Orimpex Tekstil Ltd Sti	Timeberland
Circle Economy	ITOCHU	Outerknown	Toad & Company
Dedicated	JOCA	Pettenati Centro America	Under the Canopy
Dibella	KALANI S.A.	Plastics For Change	Unifi, Inc.
EILEEN FISHER, Inc.	Kastlfel	Polygenta/Perpetual	Volcom, Inc.
Esprit Europe Services GmbH	Kathmandu	Pratibha Syntex Pvt. Ltd.	WestPoint Home
Gap Inc.	Kurkku	Pre Organic Cotton Program	Wom Again
Geetanjali Woolens	Mantis World	PSP India	
gr3n	Mara Hoffman	Recyctex Co., Ltd.	

Source: HSBC Report

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ATTRACTIVE PLACEMENT OF RECYCLED PET GLOBALLY



- **Korea:** Banned plastic cups for in-store customers (2018)
- **Thailand:** Banned plastic bags and Styrofoam containers in 154 national parks and zoos.



- **Taiwan:** Pursuing a phased ban on single-use plastics
- **EU:** Intending to ban 10 single-use plastic items by 2021
- **US:** State-wide plastic bag bans
- **EU:** Proposed a minimum 30% recycled plastic content in PET drink bottles by 2030.
- **UK:** 30% recycled content in plastic packaging by 2025.

PET FINDING GROWING APPLICATIONS

Annual global PET consumption

70 MT in 2017 > 85.4 MT in 2022

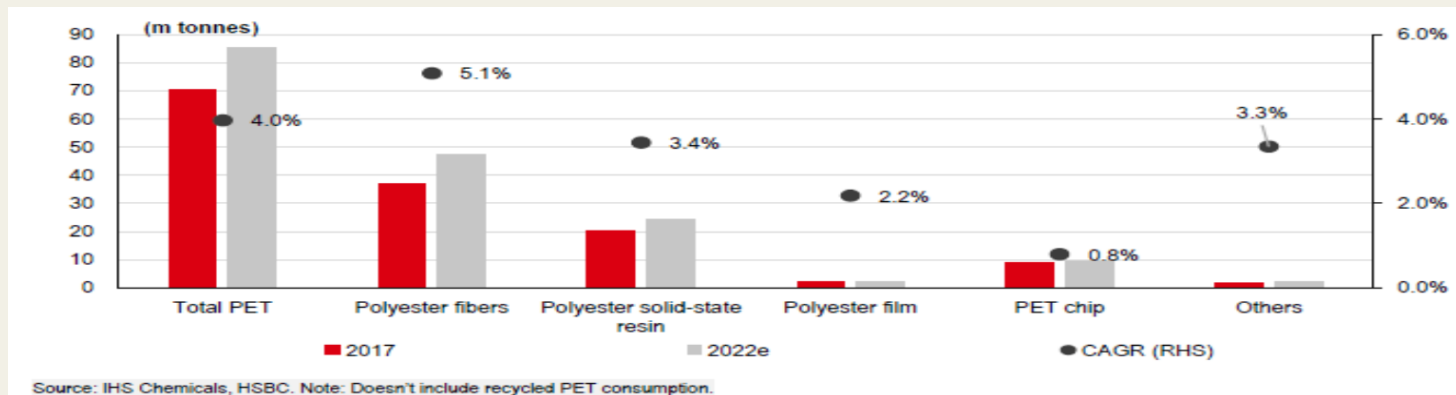
Plastic bottle consumption growth

Globally, one million plastic bottles sold - every minute
Half a trillion plastic bottles to be sold in 2020 (est.)

PET consumption drivers

Water: 241 bn bottles consumed annually
Carbonated soft drinks: 104 bn bottles consumed annually

WORLD PET POLYMER CONSUMPTION



CONSUMPTION GROWTH TO DRIVE THE MARKET

~ 900,000 tonnes of PET produced annually in India

~65% recycled at registered facilities

Sectoral growth driven by FMCG growth

Packaged water fastest growing beverage segment

CARBONATED BEVERAGE CONSUMPTION IS UNDER-PENETRATED IN INDIA



bottles per
capita in India



bottles per
capita in the US

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OUR CAPABILITIES

Pan-India presence; working with 400+ customers

Supplier to key OEMs (Maruti, Mitsubishi, Hyundai, Target Group USA, etc.)

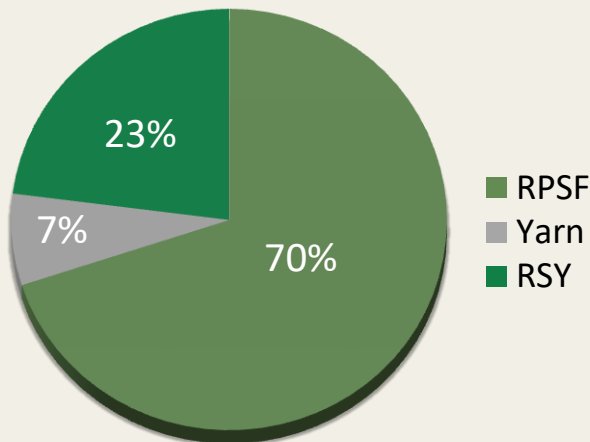
150+ Indian spinning units consume our RPSF to make spun yarn

Exports to 20+ countries

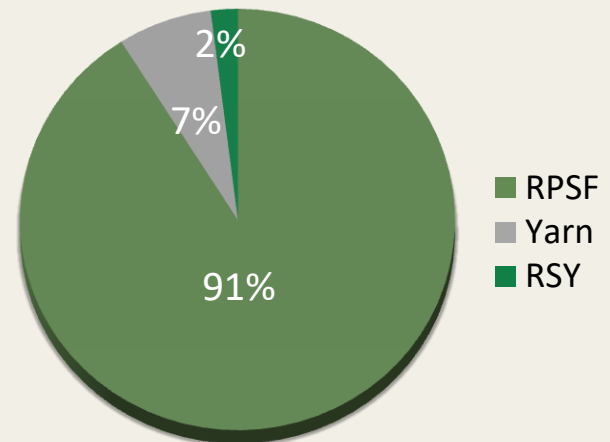
Brand synonymous with credibility, reliability and efficiency

Strong Collection network mobilize ~400 tonnes of PET waste every day

Revenue by Product FY2014-15



Revenue by Product FY2018-19



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GANESHA ECOSPHERE... TOUCHING LIVES EVERY DAY

...in the towel one uses daily for drying hair

...in the seat upholstery of the car one drives to her office

...in the jersey one wears while she goes out to play

...in the pair of shoes she uses for her evening walk

...in the carpet that snugly welcomes her home from work

...in her soft toys with which she plays

...in the body warmer she wears during a trek

...in the quilt she wraps herself with when cold

...in the pillow when she sleeps after a stressful day

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ESG INITIATIVES

Environment

- Target to equip all the unit with rooftop solar panels
- Increasing greenery cover around all plants
- Installed effluent treatment plants for the prevention of water pollution
- Taking initiatives for conservation of water and its recycling

Social

- Already in the business of plastic waste recycling
- Addressing Swatch Bharat Mission through its sustainable business model
- Already working with and for the people from exploited and backward societies i.e. rag-pickers, scrap dealers

Governance

- Speedy redressal of Investors query
- 8 Non Executive Director out of 12
- ICAI Silver Shield for excellence in Financial Reporting

- *CSR is in the DNA of Ganesha*

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GREEN EARNINGS IN LAST DECADE

~400

Tonnes per day of PET
waste Recycling

~36

Billion PET bottles
recycled in last 10 years

~45,00,000

Cubic yards of landfill
space saved by the
Company in last 10 years

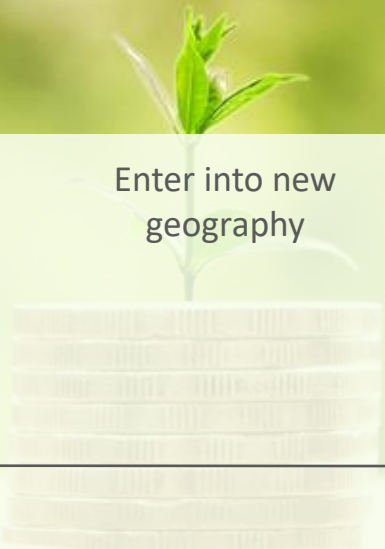
~9,50,000

Tonnes of CO2 saved
through recycling in last
10 years


COMPANY OF THE FUTURE : Core business model involves around the sustainable development goals

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WHAT'S NEXT



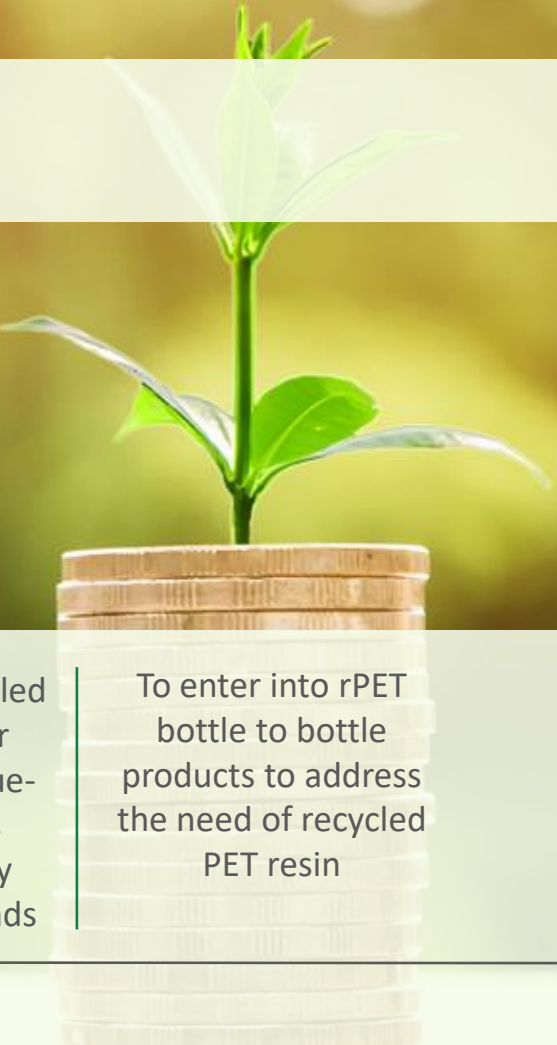
Enter into new geography



Expansion of the Capacity in RPSF



To enter into recycled filament Yarn for application in value-added products manufactured by international brands



To enter into rPET bottle to bottle products to address the need of recycled PET resin

Expansion is taken up in wholly owned subsidiary i.e. “Ganesha Ecospet Private Limited” and land has been allotted in Warangal (Telangana)

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KEY TAKEAWAYS

Responsible
business;
addressing
larger global
good

Growing raw
material
availability due to
lifestyle trends

Largest Indian
player (PET
Recycled
Segment)

Having ~ 20%
market share in
PET recycling
segment

Premiumised
recycled fibre
product mix

Stronger
Balance Sheet;
periodic de-
leveraging

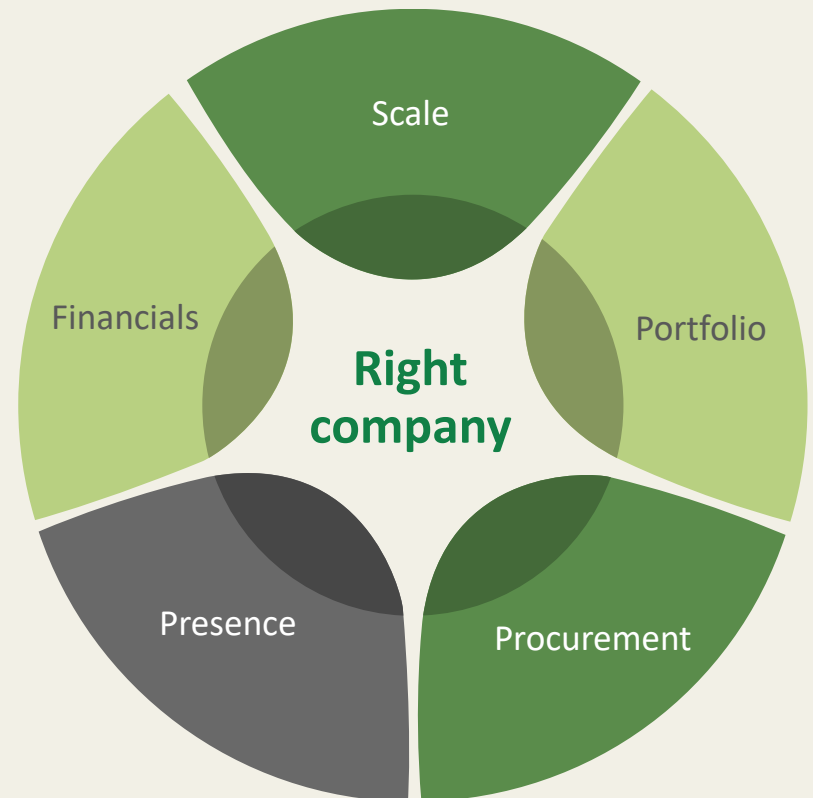
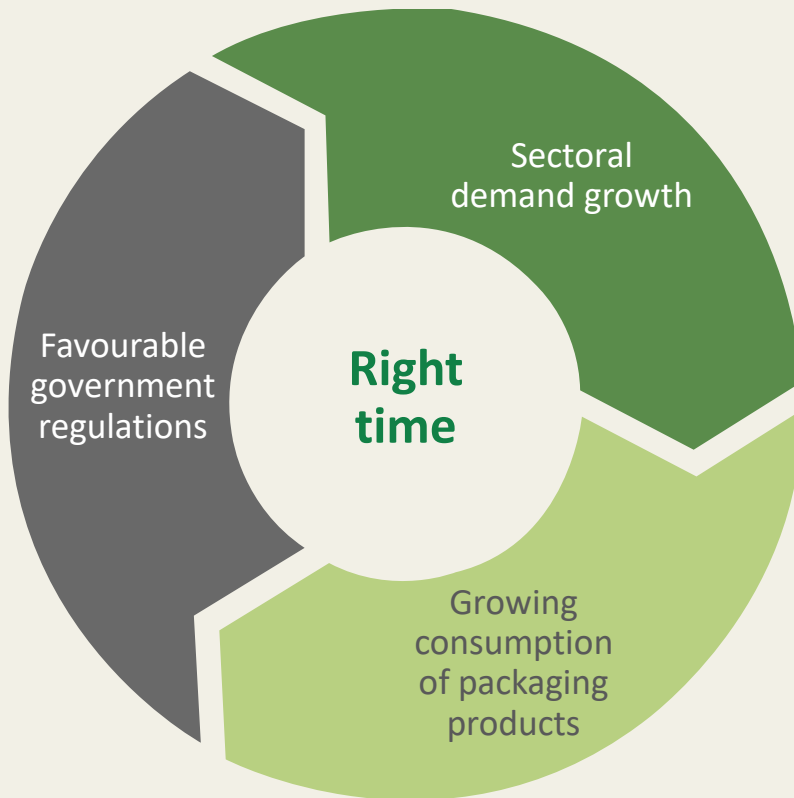
Company's
growth linked to
FMCG industry
growth

ICAI Silver Shield
Excellency Award
holder in
Financial
Reporting

Ganesha Ecosphere Limited

GANESHA ECOSPHERE

RIGHT COMPANY AT THE RIGHT TIME



Wider and profitable opportunity in terms of rPET applications in fibre, filament, and PET scrap.

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BALANCE SHEET

Rs. In Lakhs

Particulars	Financial Year ended March 31, 2019 (Audited)	Financial Year ended March 31, 2018 (Audited)
ASSETS		
1. Non-current assets		
Property, plant and equipment	31036.15	31,584.79
Capital work-in-progress	-	92.66
Intangible assets	202.69	11.52
Intangible assets under development	-	160.07
Financial assets		
(i) Loans	3.26	5.74
(ii) Others	640.56	56.05
Other non-current assets	465.89	538.14
Total non-current assets	32,348.55	32,448.97
2. Current assets		
Inventories	12,973.56	13,318.13
Financial assets		
(i) Investments	2,802.96	-
(ii) Trade receivables	8,844.90	7,861.32
(iii) Cash and cash equivalents	1,613.72	219.15
(iv) Bank balances other than (iii) above	725.00	254.01
(v) Loans	2.33	2.89
(vi) Others	45.52	15.42
Other current assets	1,770.81	1,707.03
Assets classified as held for sale/disposal	48.93	-
Total current assets	28,827.73	23,377.95
Total assets	61,176.28	55,826.92

BALANCE SHEET

Rs. In Lakhs

Particulars	Financial Year ended March 31, 2019 (Audited)	Financial Year ended March 31, 2018 (Audited)
EQUITY AND LIABILITIES		
1. Equity		
Equity share capital	2,182.94	1,917.69
Other equity	39,711.97	24,365.81
Total equity	41,894.91	26,283.50
2. LIABILITIES		
2A. Non-current liabilities		
Financial liabilities		
(i) Borrowings	5,989.31	8,312.71
(ii) Other Financial Liabilities	-	-
Deferred tax liabilities (net)	1,687.91	313.64
Government grants	461.96	409.38
Provisions	590.99	447.02
Total non-current liabilities	8,730.17	9,482.75
2B. Current liabilities		
Financial liabilities		
i) Borrowings	3,586.35	9,913.41
(ii) Trade payables		
a) Total outstanding dues of micro enterprises and small enterprises	155.35	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,603.91	5,331.83
(iii) Other financial liabilities	941.5	1,714.32
Government grants	42.91	29.29
Other current liabilities	3,006.29	2,854.47
Provisions	115.32	91.25
Current tax liabilities (net)	99.57	126.10
Total current liabilities	10,551.20	20,060.67
Total equity and liabilities	61,176.28	55,826.92



Be a global citizen. Act with passion and compassion.
Help us make this world safer and more sustainable
today and for the generations that will follow us.
That is our moral responsibility.

– *Ban Ki-moon*