

Emmbi Industries Limited

Investor Presentation

Q4, FY 2017-18



Disclaimer

This is not an investment recommendation, and this presentation contains forward-looking statements, identified by words such as ‘plans’, ‘expects’, ‘will’, ‘anticipates’, ‘believes’, ‘intends’, ‘projects’, ‘estimates’ and so on.

All statements that address expectations or projections about the future, but not limited to the Company’s strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, these are subject to extraneous, as well as other factors. You are required to do your own research prior to making any strategic or commercial decisions based on this presentation. Neither the Company or its Directors, Management and/or Employees can be held liable for decisions made by the readers.

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1. Q4FY 2018 – Highlights

Targeted v/s Realized



FY18 Projections

Achievements in FY18

Financial Performance

Targeted Revenue Growth: 15-18%
EBITDA Margin: 20-25bps per quarter
PAT Growth: >20%

Revenue Growth: +16%
EBITDA Margin: 23bps per quarter
PAT Growth: +23%

Product Development

Aim to Launch New Product / Service
and Processes Improvement every
quarter for improving profitability

1. Q1FY18 | Wool Pack
2. Q2FY18 | Poultry Curtain
3. Q3FY18 | Manufacturing 4.0
4. Q4FY18 | Machine Sealing

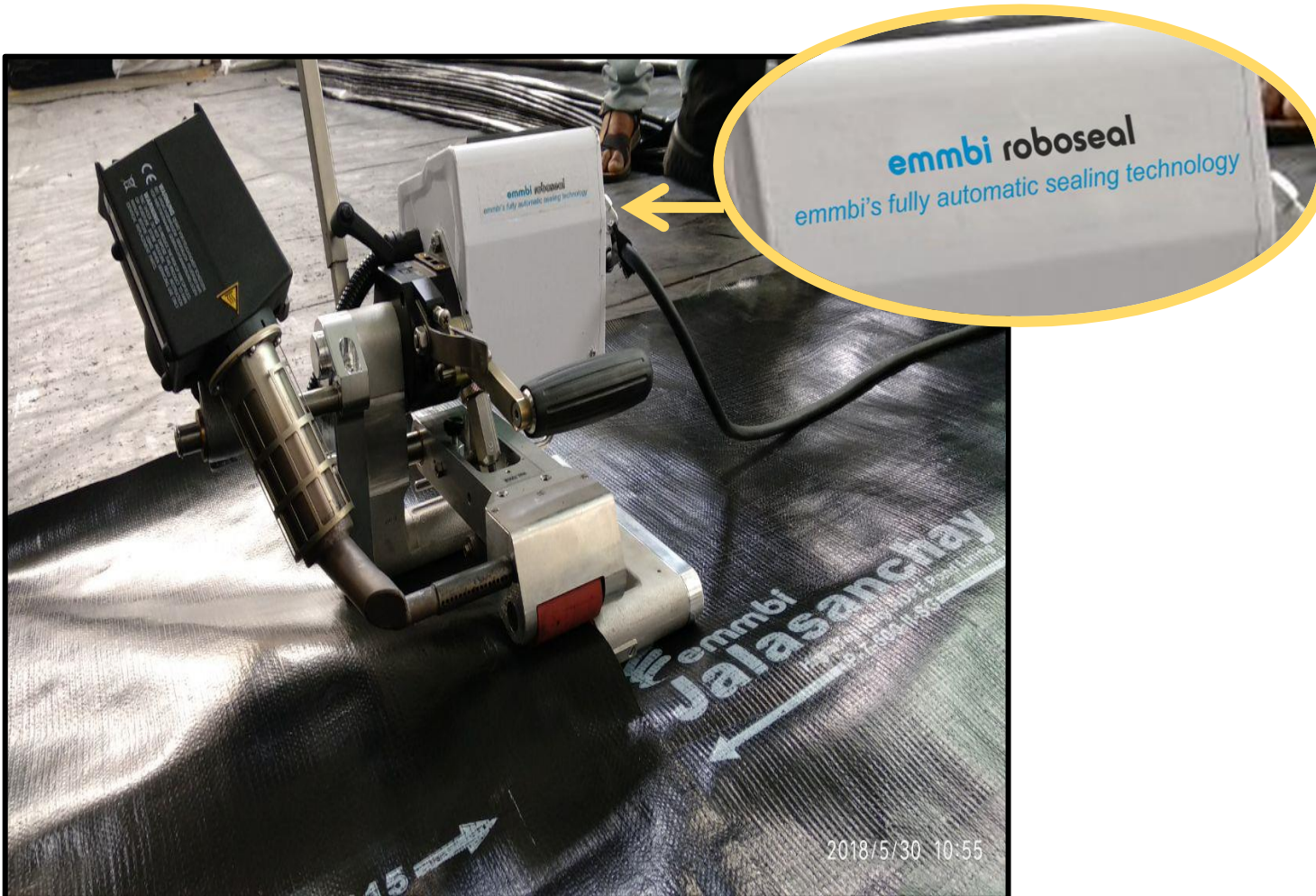
Operational Performance

Average Ponds per day-4
Distributors and Agents-100
Ground Force Support-10 members
Share in topline of B2C Vertical-10%

Average Ponds per day-4
Distributors and Agents-90
Ground Force Support-10 members
Share in topline of B2C Vertical-10%

Key Innovation

World's first Company to launch the robotic sealing application for Pond Liners



- ✓ Improved precision and speed for application with minimum human intervention
- ✓ Reduces the seepage rate to near Zero level
- ✓ Enables Emmbi to launch world's widest width liners

2. Financial Performance

Sustained growth across all financial parameters

(₹ Millions)	2013	2014	2015	2016	2017	2018
Revenues	1,475	1,680	1,929	2,177	2,410	2,790
EBIDTA	126	154	202	270	297	353
PAT	32.42	43.34	59.65	105.95	124.35	152.62
EPS	1.91	2.45	3.37	5.99	7.03	8.63
BV	30.73	32.89	35.86	41.24	47.74	55.53

40+
Products

14
Patents

200+
Clients

56
Countries

Increase	2013	2014	2015	2016	2017	2018
Increase in Revenue %	40.52	13.94	14.81	12.83	10.72	15.77
EBIDTA %	9.01 %	9.69%	10.99%	12.97 %	12.94%	13.87%
Increase in PAT %	-2.02	33.70	37.62	77.63	17.36	22.73

Key Operating Highlights



Revenue

+15.77%

(12 Months Y-O-Y)

EBIDTA

+93 bps

(12 Months Y-O-Y)

PAT and EPS

+22.73%

(12 Months Y-O-Y)

- Healthy growth in Consumer Business driven by Brand awareness
- Capturing New Markets by strengthening distribution network
- Steady Improvement in Product Mix through strong in-house R&D
- Adoption of Industry 4.0 (Internet of Things & Machine Learning) driving Operational Efficiencies

3. Product Verticals and Growth Drivers

Business Verticals



Specialty Packaging

**Estimated Global Market:
30 US \$ Billion**

Currently accounting for the bulk of our products, the Specialty Packaging division caters to a wide array of industries, from food and pharma to chemicals, cement and more – to transport and store materials.



Advanced Composites

**Estimated Global Market:
36.5 US \$ Billion**

The Advanced Composites division focuses on creating high-tech solutions for specialized applications.

This division creates solutions for hazardous waste management, asbestos removal, fire-retardant applications etc.



Water Conservation

**Estimated Global Market:
2.5 US \$ Billion**

The Water Conservation portfolio, as the name suggests, focuses on creating solutions for the storage, transport and distribution of water.

These products – like pond liners and flexible tanks – are marketed under the Jalasanchay brand.



Agro Polymers

**Estimated Global Market:
4 US \$ Billion**

Products manufactured by the Agro Polymer division are marketed under the Krishirakshak name. These focus primarily on crop protection and de-risking the farmer from the weather.

Typical applications include Mulch Films, Crop Covers and flexible pipes.

Growth Drivers



Specialty Packaging



Advanced Composites



Water Conservation



Agro Polymers



Strengthen B2B Base

Consolidate across industry verticals



Increased share of Value Added Products

Focus on margin expansion through better acceptance of value added products



Expand B2C Vertical

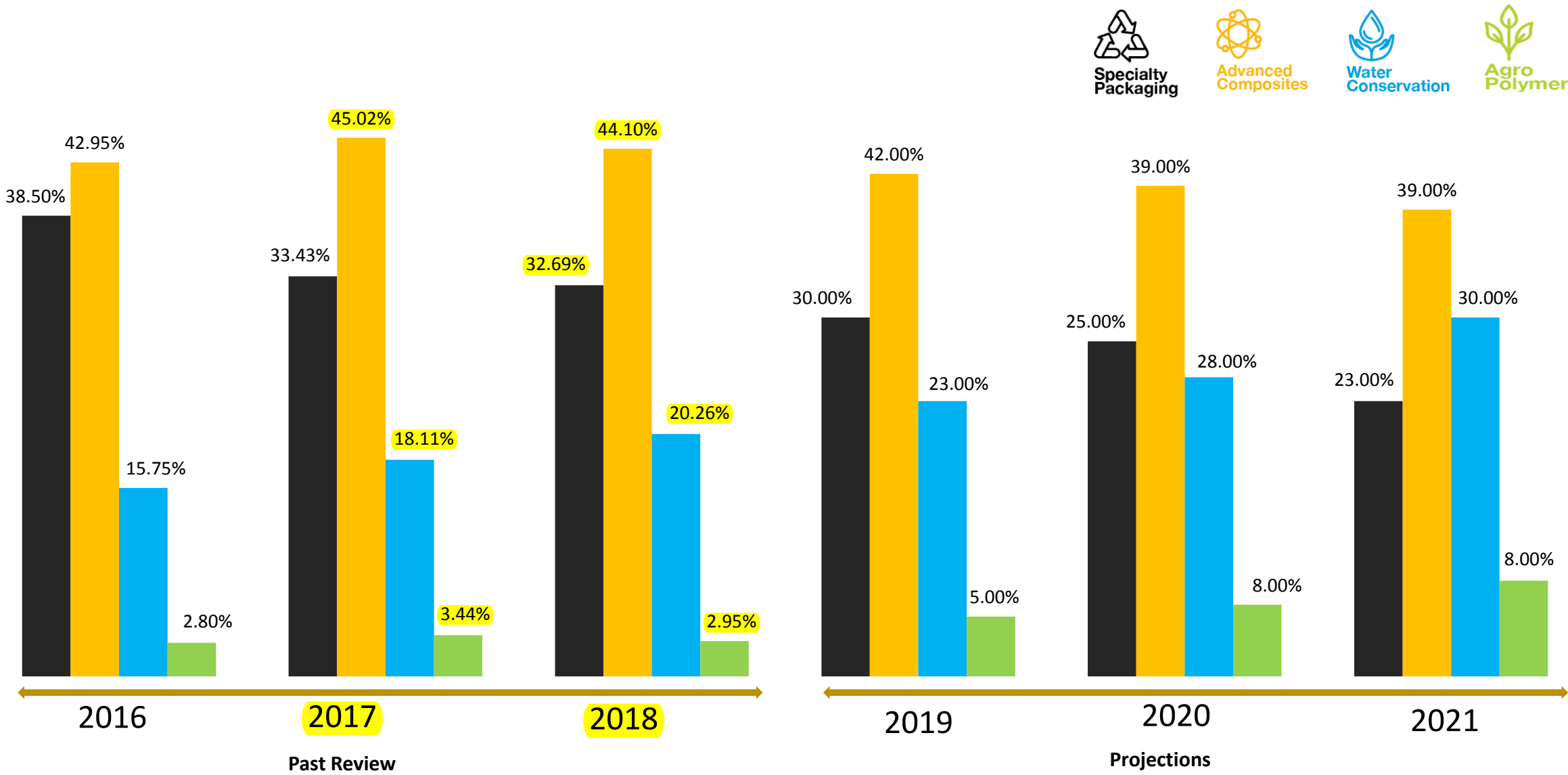
Develop advanced products in B2C segment to drive margins



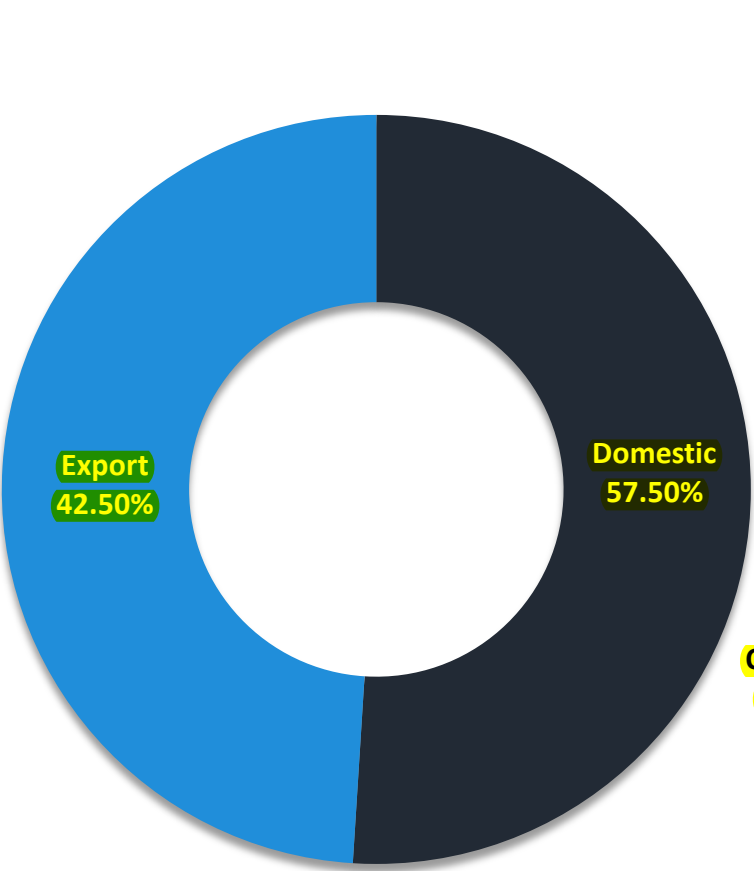
Shift in Buying Pattern

Cater to greener, cleaner and efficient crop protection technology

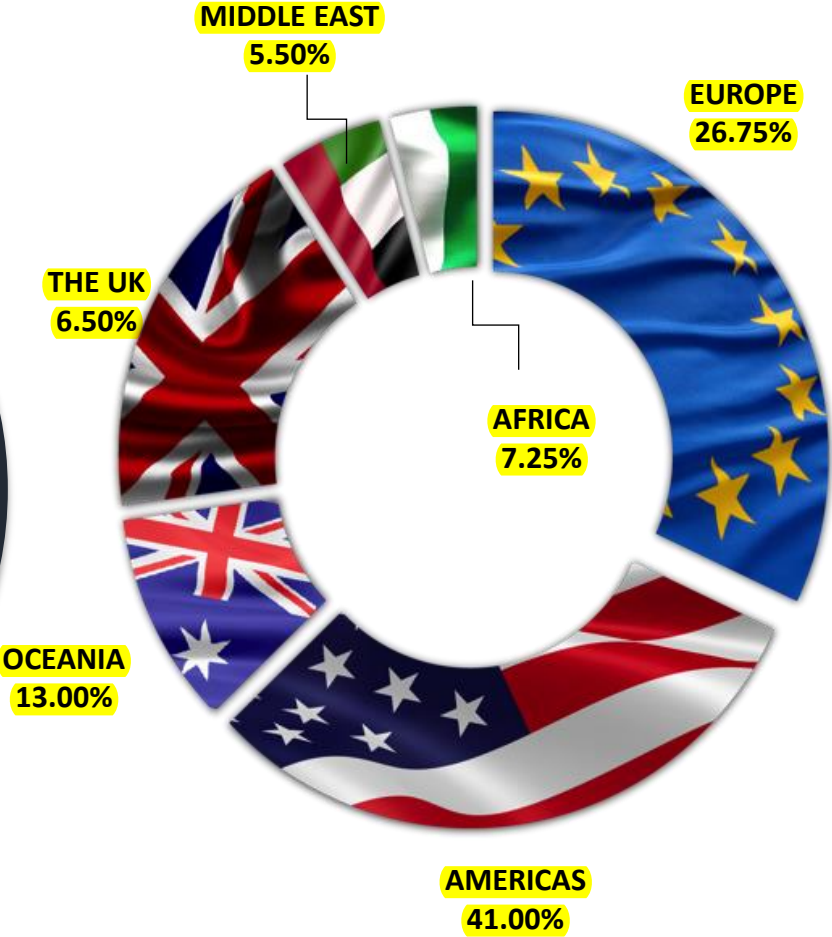
Revenue Breakdown



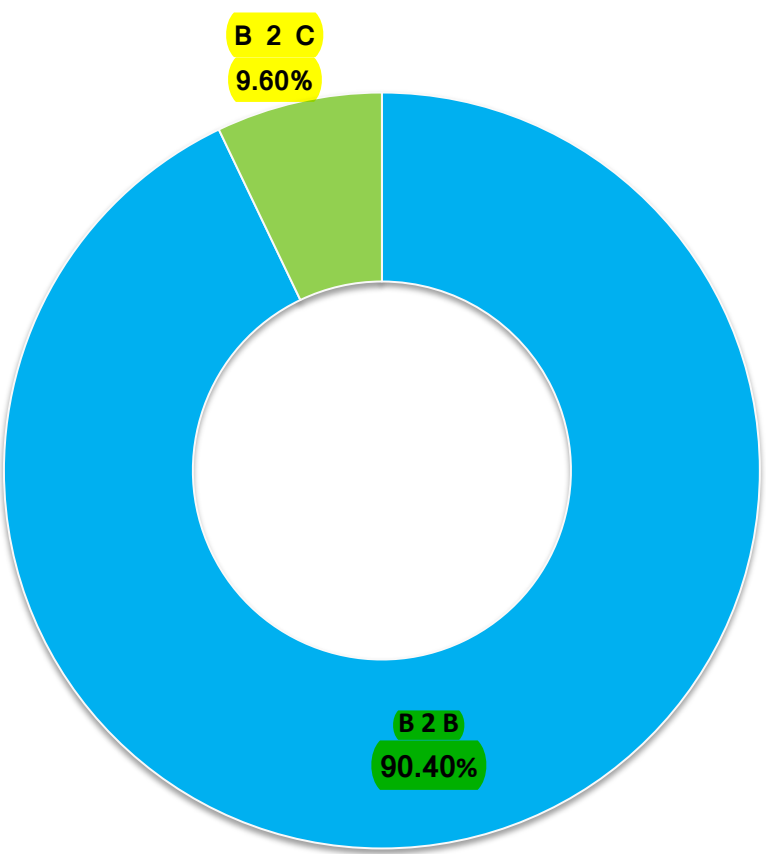
Business by geography and vertical



BUSINESS SPLIT AS OF 31st March, 2018



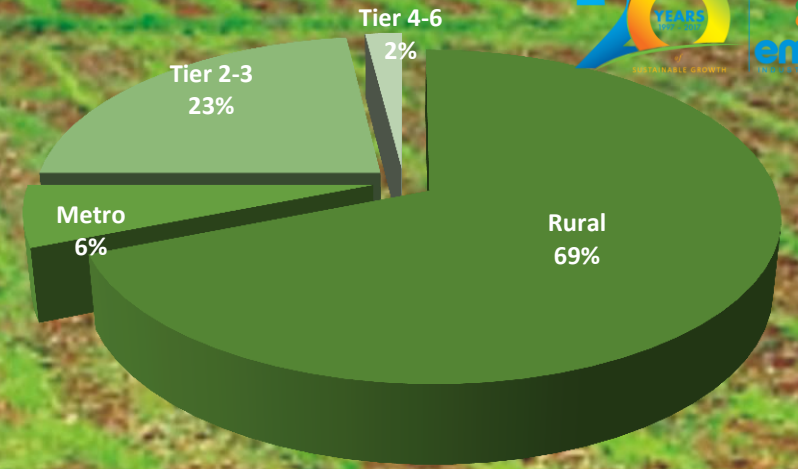
EXPORT : GEOGRAPHIC SPREAD



BUSINESS SPLIT : B2B vs B2C

4. Future Outlook – The Focus on Rural India

India is still primarily rural!



68.8%

of India lives in villages*

18.0%

of our GDP is agriculture#

*Source: 2011 Census, Govt of India

Source: KPMG's Indian Economic Survey, 2014-15

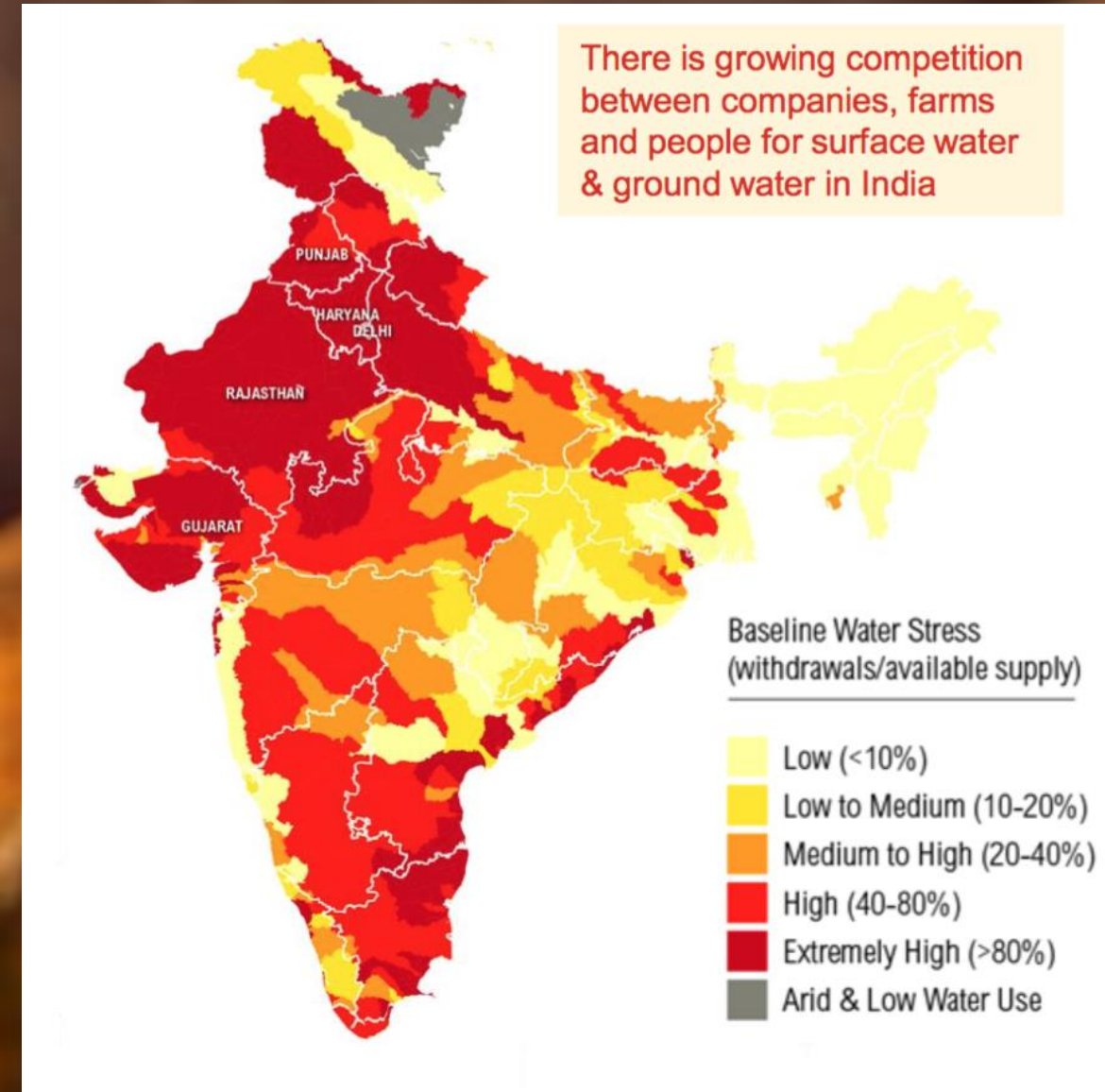
But fraught with challenges

Water, a primary concern

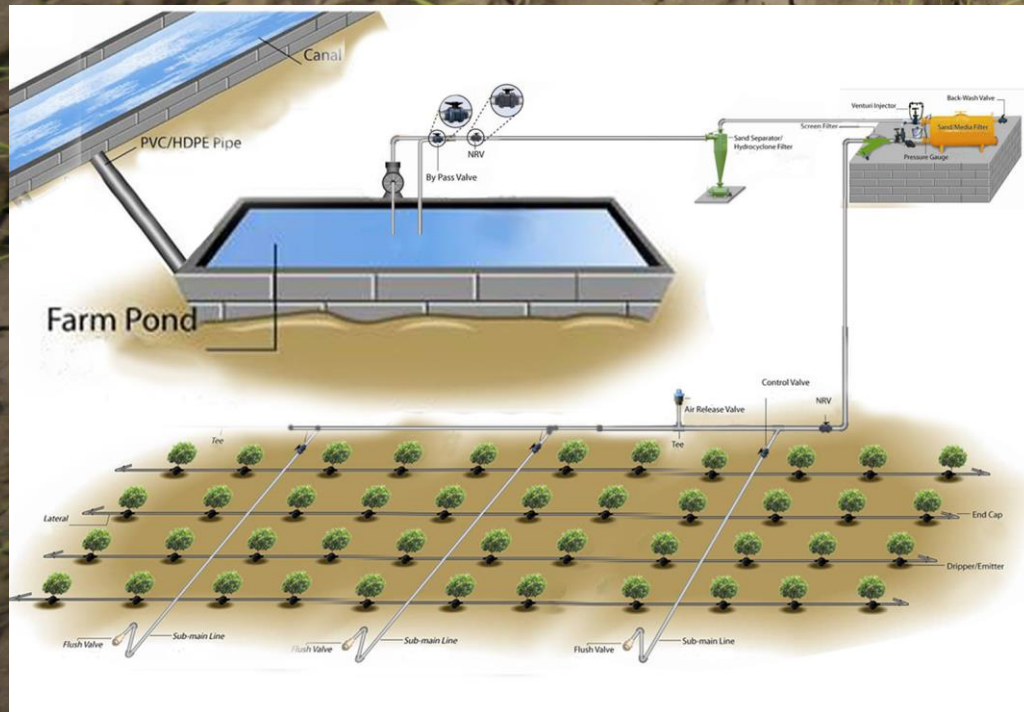
~54%

India lives faces high to very high water stress*

* Source: Water Resources Institute



Importance of Pond in the new age micro irrigation



- Pond a Stagnant source of water is first building block of micro irrigation
- Depletion in underground water table causing conventional wells & borewells unviable
- Govt. mandating certain crops must be micro-irrigated (Sugarcane, Fruits)
- Potential of Micro Irrigation is 69 mn hectares
- Present penetration is around 9 mn hectares
- Less than 20 % of them have ponds

Clearly, We have a role to play...

What we've achieved

2,000+ Ponds

4,000+ Hectares

2 states

18 months

1 Pond Every 6 Hours (Avg.)

We believe we can create

One Pond Every Hour

With existing capacity

4 more states in next 3 Years

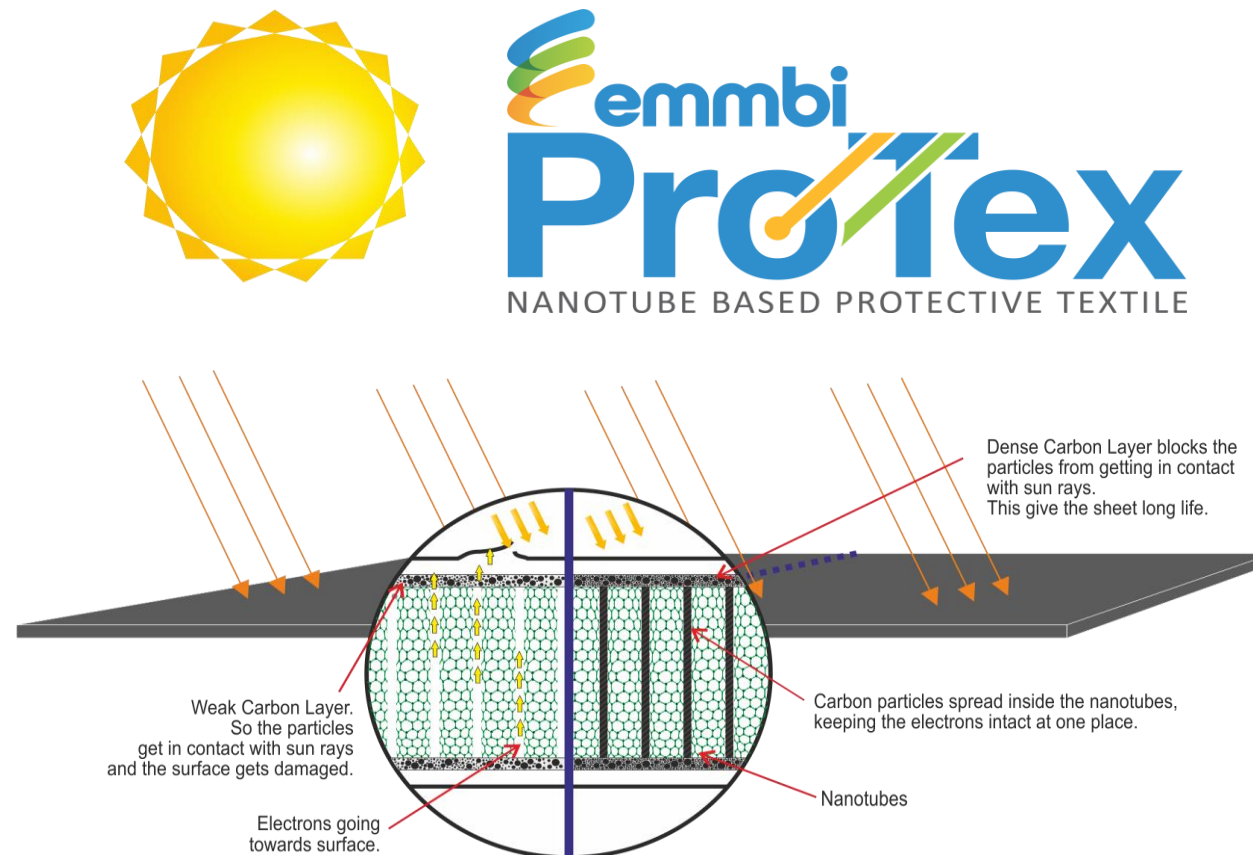
Impact Film Link

<https://www.youtube.com/watch?v=8CfYFEWSITg>

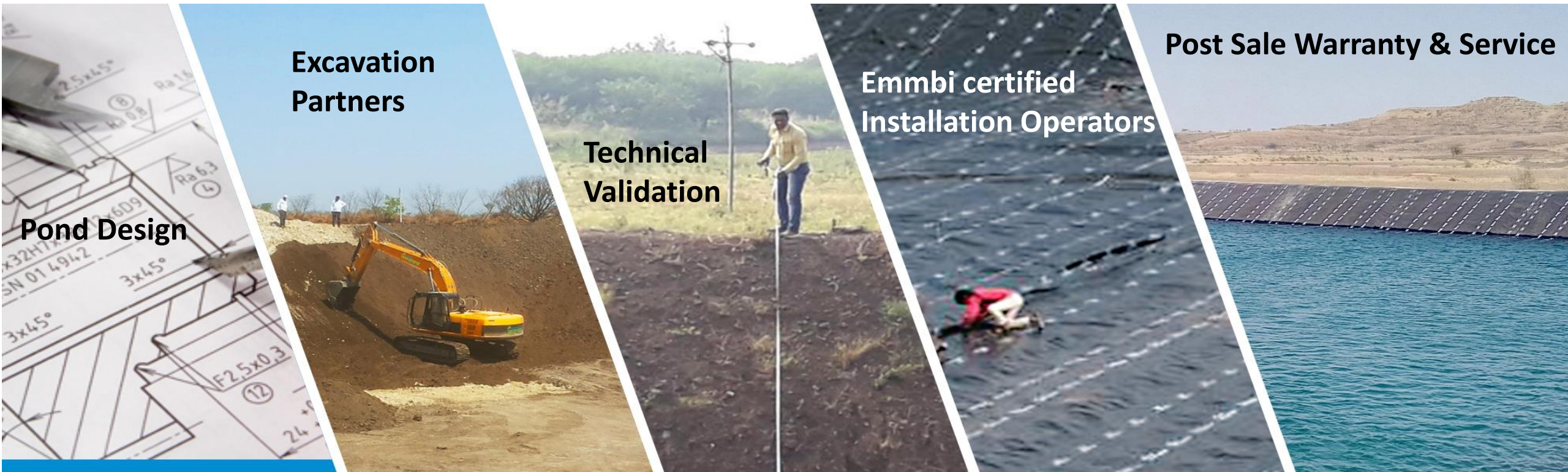
Actual image of Emmbi pond Sinner,
Dist. Nashik, State Maharashtra, India

Technology

- A Special Woven Polymer Based Pond Liner with **worlds widest width** to reduce joints and improve effectiveness



- Complete End-to-End Solution: Pond Design, Excavation Partners, Technical Validation, Product Supply, Emmbi Certified Installation Operators, Post Sale Warranty & Service Team



- Creating a Brand Emmbi synonyms to water storage



Village Meetings



Wall Painting



Agro-Exhibitions

Allied Products

- Flexi tanks for the Rural Transportation
- Evaporation Management for improving the Storage Efficiency
- Crop Protection and Yield Enhancement Products





Appendix A, B & C

A. Innovation – Emmbi's DNA

Our in-house R&D Center



- Govt. of India, Department of Science & Technology Certified
- Filed 14 Patents in past 6 years
- 35 member Dedicated R & D Team
- Approx. 2.5 % of Revenue is allocated as budget
- Helps maintain the target of “20 % Revenue from product developed in past 20 months”

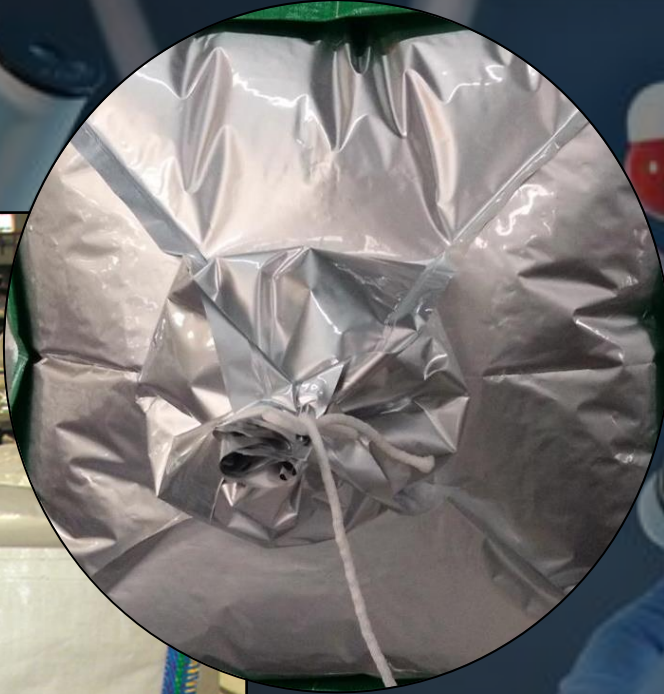
Early successes



Poultry Curtain (Agro Polymer)

- **Application:** Poultry Industry. Poultry Curtain is a low-cost light polarizer to improve the growth of chicks.
- **What they use Conventionally?:** Electric Bulbs or Yello Fabric
- **What's unique:** We have designed the product which can filter a light of the particular frequency which helps in the growth of the chicks.
- **Market Potential in focus area:** Rs. 20.00 Crores Per Annum.

Early successes



Coffee Bag (Advanced Composites)

- **Aroma Lock:** A specialized technology using aluminum film, that helps preserve freshness of food
- **Application:** transportation of Coffee, Tea and similar commodities that need to keep retain their natural aroma and flavors
- A super convenient sealing mechanism helps on-site filling of the material on farms

Early successes



Wool Pack (Advanced Composites)

- **Application:** Contamination-free packaging of raw wool
- **Why it's better:** traditionally, wool was packed in nylon packaging which is very expensive. We developed a special blend of polymer that offers all the conventional woolpack benefits at half the cost
- Wool Pack has been designed and developed by Emmbi Innovation lab, based on standards defined by various Wool Exchange Authorities across the globe.
- **Potential:** Global wool production is about 2 million tonnes per year hence the scope for woolpack is massive.

Early successes



Animal Discharge Route



Patent Pending - TEMP/E-1/33242/2017-MUM

Helps trapped animals and reptiles to quickly and safely exit farm pond

Anti-Evaporation Cover



Patent Pending - TEMP/E-1/33245/2017- MUM

Ultra-light UV stabilized HDPE fabric Greatly reduces losses of water to evaporation

Water Landing Strip



Patent Pending - TEMP/E-1/33249/2017-MUM

Protects your pond liner panels from being degraded by the pressure exerted by water falling from a height.

Dead Weight Pipe

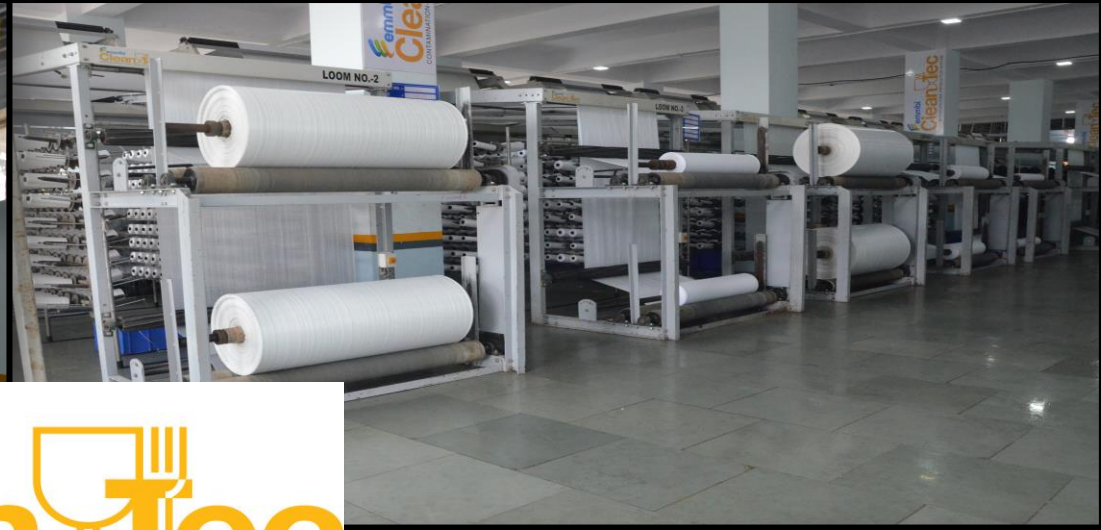


Covers a larger area than a traditional cement bag
Long Life (UV stabilized)

Pond Lining Accessories

These Patented products further enhance the performance of the pond liner by offering safety and saving of water by evaporation loss

Contamination-free manufacturing



B. Product Profile of Emmbi

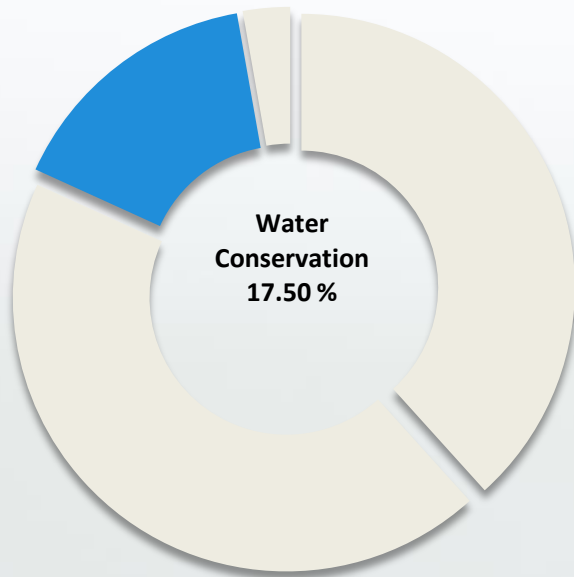


Water
Conservation

Helped irrigate **3,300 Hectares** of crops using **1650 ponds** in 2 states of India in past **18 months**

Pic: Pond for 8 million ltr Water Storage
Created by Emmbi At Pahur, Dist Jalgaon,
State of Maharashtra, India

Product Snapshot



Pond Liner



Check Dam

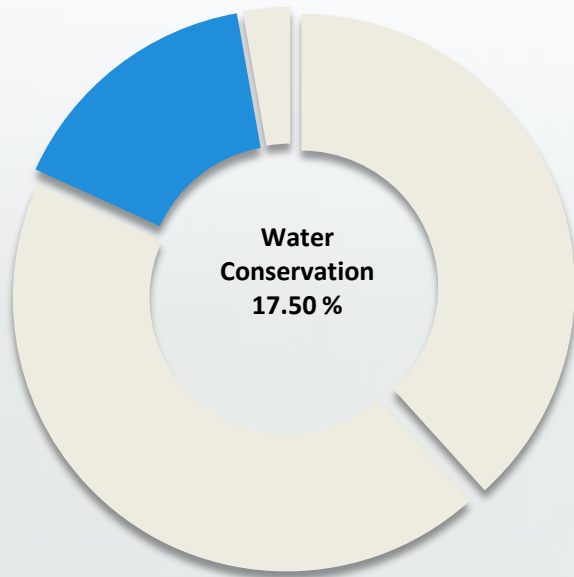


Canal Liner



Collapsible Pipe

Product Snapshot



Cycle Tank



1000 Liter Flexi Tank



500 Liter Standing Tank



Open Flexi Tank

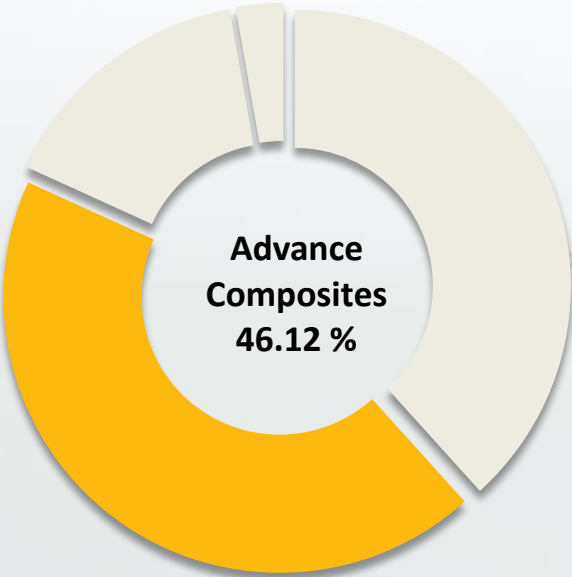


Advanced
Composites

Helped to **protect priceless lives and assets worth Billions** with our Advanced Composite Range



Product Snapshot



UN Certified FIBC



Application of UN Certified FIBC



Water – Slug Separator

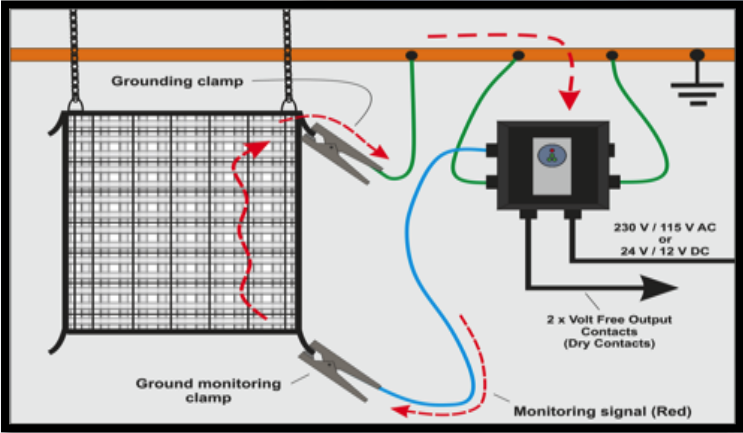
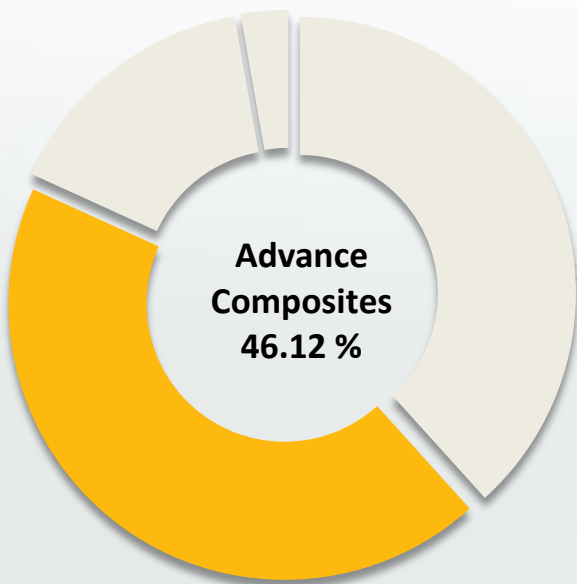


Application of Anti Carcinogenic Packaging



Nuclear Power plant Waste Disposal

Product Snapshot



Electrically Conductive Polymer



Anti-Corrosive VCI Films



Application for Fall Arrest



Anti Corrosive Fabric



Specialty
Packaging



Helped put **4 Million Tones**
of food & Other Cargo in
your service every single
year, **safely**

Product Snapshot



**Specialty
Packaging**



Construction FIBC



Application of Construction FIBC



Packaging Barrier Films

**Bulk Packaging with
lowest carbon foot print
only
0.7 gm polymer can hold
up to 1 kg of Material**

Product Snapshot



Specialty
Packaging



“Form Stable” Conductive



Liquid & Solid Container Liner



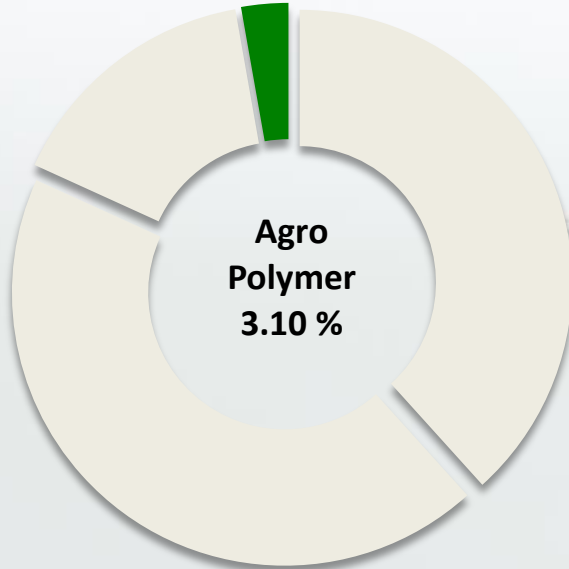
Urban Waste Disposal

Perfect partner to new age Supply Chain system , and Hyper Local Models of Distribution, Typically used by Multinationals & e-commerce companies

Help protect your food from contamination from hazardous chemicals and pesticides, **naturally**

Actual Picture from KVK Baramati, Dist Pune,
State of Maharashtra, India

Product Snapshot



Mulch Film



Crop Cover



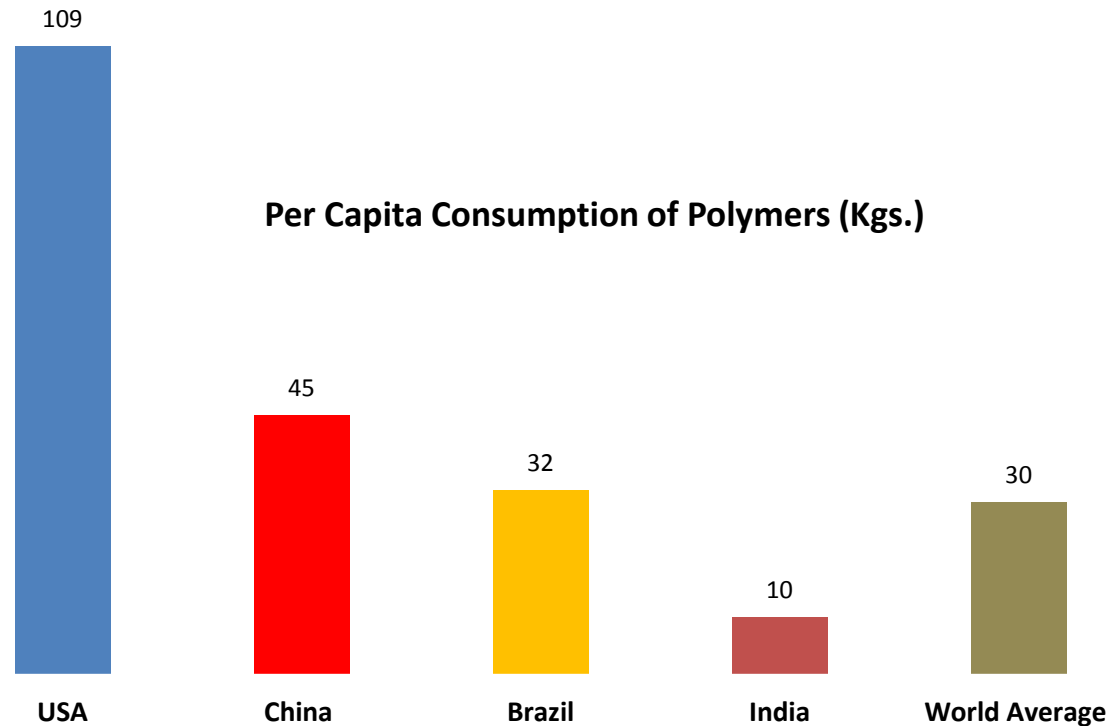
Silage Incubator



Shade Net

C. Polymer Processing Industry : Global Perspective

Compared to the global averages, India still has head-room for growth



INDIA LAGS THE WORLD IN POLYMER CONSUMPTION

India's consumption of polymers is still a third of the global average.

URBANIZATION TO DRIVE CONSUMPTION

As the country urbanizes and grows economically, we see a significant uptick in polymer consumption.

(source : Global Polymer News)

In India, Emmbi Industries is driving this shift through unique applications

Conventional applications

Jute Bags
Concrete Canal Liners
Concrete / Metal Water Tanks
Metal Sludge Separator Tanks
Oil Based Anticorrosive Packaging
Paper Packaging Bags
Earthen Pots to Carry Water



Modern applications

PP Bags
Woven Polymer Canal Liners
Woven Polymer Flexi Tank
Woven PP Water Sludge Separator
Polymer Based Anticorrosive (VCI) Packaging
Polymer Based Paper Look Alike Bags
Plastic Water Tanks to Carry on Cycle

New Applications

Polymer Pond Liner
Crop Covers
Pneumatic Safety Systems
Woven Polymer "Lapeta Pipe"

THANK YOU



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info@emmbi.com